

JOINT MANAGEMENT BOARD



Cheshire
Constabulary



Dan Price
Cheshire
Police & Crime
Commissioner

DATE: Wednesday 28 January 2026

TIME: 1.00pm

VENUE: Command Team Meeting Room, Constabulary HQ, Clemonds Hey, Oakmere Road,
Winsford CW7 2UA and via Teams

Any member of the public who wishes to observe this meeting is asked to register their interest no later than midday on Tuesday 27 January 2026 via email pcc@cheshire-pcc.gov.uk

AGENDA

Part 1 - Public Items

- 1 Minutes of Meeting Held on 5 November 2025**
- 2 Management Decision**
- 3 Financial Position 2025/26 Third Quarter Review**
- 4 Treasury Management Strategy 2026/27**
- 5 Medium Term Financial Strategy 2026-2031**
- 6 Budget and Council Tax Precept 2026/27**
- 7 Fees & Charges Handbook 2026**
- 8 Scheme of Corporate Governance**
- 9 Joint Management Board Forward Plan**

Part 2 - Private Items

The following matters will be considered in private as they involve the likely disclosure of exempt information as defined in the Freedom of Information Act 2000, in accordance with the section indicated below:

Item	Section
<i>Estates Strategy Update</i>	<i>(43) Commercial Interests</i>
<i>AI Enablement Programme</i>	<i>(31) Law Enforcement</i>
	<i>(43) Commercial Interests</i>
<i>Strategic Risk Register</i>	<i>(31) Law Enforcement</i>
	<i>(43) Commercial Interests</i>
<i>Joint Management Board Action Log</i>	<i>(31) Law Enforcement</i>
	<i>(43) Commercial Interests</i>

10 Estates Strategy Update – Sale of Winsford New Police Station

11 AI Enablement Programme

12 Joint Strategic Risk Register

13 Joint Management Board Action Log

**For further information about this agenda, please contact:
The Office of the Police & Crime Commissioner on 01606 364000**



**Cheshire
Constabulary**



Dan Price
Cheshire
Police & Crime
Commissioner

JOINT MANAGEMENT BOARD

Notes of the Joint Management Board held on Wednesday 5th November 2025 which was held at Constabulary Headquarters, Winsford.

PRESENT: Dan Price, Police and Crime Commissioner (PCC)
Mark Roberts, Chief Constable (CC)

Cheshire Police and Crime Commissioner

G Southern, Deputy Police and Crime Commissioner

D Taylor, Chief Executive

J Whalen, Assistant Police and Crime Commissioner

C Hodgson, Chief Finance Officer

A Murphy, Governance Officer

Cheshire Constabulary

M Evans, Deputy Chief Constable

D Bryan, Chief Legal Officer

B Malloy, Chief Finance Officer

N Bailey, Chief People Officer

P Woods, Head of Planning and Performance

No members of the public observed Part 1 of the meeting.

Part 1 - Public items

1. Minutes of meeting held on Wednesday 1 October 2025

The minutes of the meeting held on Wednesday 1 October 2025 were approved.

2. Management Decisions

The Police and Crime Commissioner and the Chief Constable noted that following the Joint Management Board, two Management Decisions had been approved by the Police and Crime Commissioner outside of the formal Joint Management Board.

Decision Number 2025/07: Crewe Police Station Construction

Decision Number 2025/08: Aftercare Contract for Victims of Rape and Sexual Abuse

3. Financial Position Report 2025/26: Mid-year Review

The report provided the Commissioner with the provide the Commissioner with the forecast financial outturn for 2025/26 as at the end of September 2025. On 29 January 2025, the Commissioner approved a gross revenue budget of £305.3m (net £262.5m) together with a capital programme of £13.4m. At the Joint Management Board meeting on 2 July 2025, the Commissioner approved carry forward requests of £1.1m and capital slippage of £3.6m of which £1.8m was confirmed after the original programme was set.

At the end of September 2025, there is a forecast revenue overspend of £2.2m (0.85%), together with a forecast capital underspend of £0.2m (1.5%).

The Police and Crime Commissioner noted the overspend in overtime and the Chief Constable advised that an uplift in the overtime budget would be needed going forward. It was advised that the driver reoffending income will be affected in the future with the cessation of the Road Safety Partnership, and a working group should be convened to consider the impact. The Police and Crime Commissioner noted the increase in PSD/Legal Services costs, which the Deputy Chief Constable explained was in response to staffing increases associated with increased vetting procedures.

The Police and Crime Commissioner and the Chief Constable approved the following recommendation:

(1) the forecast revenue and capital outturn positions be noted.

The rationale was that the mid-year review provides a forecast financial position and details of forecast performance against agreed financial health targets. It reflects cost pressures known at the time of writing and shows a reduction in the forecast overspend position of £0.5m. The position will be monitored regularly with mitigating actions being taken as necessary.

4. Treasury Management 2025/26: Mid-year Review

The report presented the Treasury Management mid-year review 2025/26 for noting. CIPFA's (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that those charged with governance be updated on treasury management activities regularly, by way of a strategy at the start of the year followed by quarterly reviews and an outturn report.

This review sets out the mid-year position on all treasury management activities together with a review of the current economic environment and interest rate forecasts.

The Police & Crime Commissioner approved the following recommendations:

- (1) the report be noted; and
- (2) the future requirement for borrowing to support the ongoing capital programme is noted

The rationale was that the review sets out the mid-year position on all Treasury Management activities, as required by CIPFA's (Chartered Institute of Public Finance and Accountancy) Code, including a review of the current economic environment and interest rate forecasts. During the financial year to date, treasury management activities have operated within the approved indicators and limits and in compliance with the Treasury Management Practices.

5. Medium-Term Financial Strategy 2025-2030: Mid-year Review

The report provided the Commissioner with a mid-year review of the Medium-Term Financial Strategy 2025-30, reflecting on updated assumptions and current delivery.

The profile change and increase in the savings required over the year were noted. The Police and Crime Commissioner said that it could be seen where the operational policing pressures were impacting on the medium-term strategy. He also recognised the reserve position.

The Police and Crime Commissioner and the Chief Constable approved the following recommendation:

(1) the review of the Medium-Term Financial Strategy 2025-30 be noted.

The rationale was that the Medium-Term Financial Strategy is fundamental in promoting good financial planning, the delivery of value for money, ensuring operational threats and risks are addressed and managed in line with operational demand and agreed priorities.

6. Joint Management Board Forward Plan

The Joint Management Board Forward Plan was noted with the Fleet Strategy moved forward to next meeting.

Part 2 – Private items

7. Strategic Risk Register (Part 2)

The Strategic Risk Register was presented for consideration and approval.

The Head of Planning and Performance advised that the Constabulary is looking at national policing arrangements and insurance to mitigate the impact of the change to the cyber threat level.

The Police and Crime Commissioner and the Chief Constable approved the following recommendation:

- (1) An increase in the total risk score for the risk relating to cyber-attacks. It is proposed to increase the probability score for this risk from 2 to 3 and the total risk score from 10 to 15.

The rationale was that the effective management of strategic risk supports the delivery of high-quality policing services.

8. Estates Strategy Update

The Estates Strategy presented to the Commissioner provides the solid foundation essential to the provision of safe, secure, and high-quality policing across Cheshire. The strategy has been updated to reflect the comments from the Chief Executive of the Office of the Police and Crime Commissioner for Cheshire.

The Police and Crime Commissioner and the Chief Constable approved the following recommendation:

- (1) that the Estates Strategy update is approved

The rationale was that the implementation of the Estates Strategy will develop an estate that is truly fit for the future and can respond to the changing demands of modern policing.

9. Environmental Strategy Update

The Environmental Strategy presented to the Commissioner provides support to the Police & Crime Commissioner's Police and Crime Plan and was updated to reflect the comments from the Chief Executive of the Office of the Police and Crime Commissioner for Cheshire.

The Police and Crime Commissioner and the Chief Constable approved the following recommendation:

- (1) that the updated Environmental Strategy is approved

The rationale was that by adopting best practice the implementation of the Environmental Strategy will minimise the impact on the environment whilst supporting operational activity.

10. IT & Digital Strategy Update

The IT and Digital Strategy presented to the Commissioner outlined the key outcomes from across the three product boards, chaired by the respective Assistant Chief Constables - these being: Neighbourhood Policing; Connected Constabulary & Innovation; and Crime. The document also outlined how the underlying IT infrastructure would meet these objectives and how the IT department would service the needs of the organisation.

The strategy was prepared in consultation with the OPCC and aligns with the latest Police and Crime Plan, in particular, pillar 2 – Modernise – Technology and Innovation. It also took note of several national strategies, particularly those linked to the police reform programme.

The Police and Crime Commissioner and the Chief Constable approved the following recommendation:

(1) that the updated IT & Digital Strategy is approved

The rationale was that the implementation of the IT and Digital Strategy will drive efficiencies, ensure the service is well-equipped, and embrace innovative ways of working to continuously improve outcomes.

11. People Strategy Update

The People Strategy 2025-2028 presented to the Commissioner aims to position the Constabulary as an employer of choice by focusing on building high-performing teams that take pride in their roles. The strategy emphasises the significance of people in achieving safer communities and aligns with the Force Strategic Aims, the Police and Crime Plan, and HMICFRS expectations.

The Police and Crime Commissioner welcomed the collaborative work that had been done between the OPCC and the Constabulary on the development and update of this strategy.

The Police and Crime Commissioner and the Chief Constable approved the following recommendation:

(1) that the updated People Strategy is approved

The rationale was that the implementation of the People Strategy 2025-2028 will adapt to changing demands of policing, develop talent and high-performing teams, drive performance, and deliver for the public.

12. Procurement Strategy Update

The joint Procurement Strategy 2025-2028 presented, outlined how the Commissioner and Chief Constable will ensure that value for money is provided in the procurement of goods, services and works. The Strategy was designed to ensure compliance with legislation, public procurement strategy and guidance as well as ensuring compliance with the financial regulations and contract standing orders of the Commissioner.

The Strategy also outlined how procurement activity will be achieved in a way that maximises opportunities for efficiency and collaboration, supports SMEs and the voluntary sector, supports delivery of the Police and Crime Plan, drives innovation and ensures that social value is a priority.

The Police and Crime Commissioner and the Chief Constable approved the following recommendation:

(1) that the updated Procurement Strategy 2025-2028 is approved

The rationale was that the implementation of the Procurement Strategy will enable the Police & Crime Commissioner and Cheshire Constabulary to deliver both value for money for the residents of Cheshire and the objectives within the Police and Crime Plan/ the Constabulary's strategic plan. It will maximise the use of available resources and ensure compliance with legislation as well as internal financial regulations.

13. Joint Management Board Action Log

The Joint Management Board Action Log was noted.

The meeting commenced at 10.00am and concluded at 10.45am.



MANAGEMENT DECISION POCA FUNDING FOR PHONE POUCHES

DECISION NO. 2025/09

DATE: 17/11/2025

Request for POCA Funding - Phone Pouches for Children on Free School Meals

Executive Summary:

This report sets out a proposal for the use of £150,000 of the POCA reserve to support the mission of delivering even safer communities for the whole of Cheshire through the implementation of phone-free schools.

The funds are to be set aside to enable state high schools in Cheshire to fund the cost of implementing lockable phone pouches in schools. The PCC is looking to offer schools support by funding the cost of the pouches for those on free school meals and this will be made available via a grant process. Schools will need to demonstrate a whole-school adoption in order to qualify.

The request is made in line with the use of POCA funding as set out in 2025/26 Reserves Strategy approved at Joint Management Board on 29th January 2025.

Recommendation:

- 1) That the Police and Crime Commissioner approves an amount of £150,000 be set aside from POCA for the period up to 31st March 2027 to cover the cost of phone pouches for children on free school meals.

I have reached the following decision:

Approval of the recommendation.

My rationale for this decision is:

The use of POCA funding to cover the cost of lockable phone pouches for children on free school meals will ensure all children in high schools have access to a phone-free education. Schools will be able to apply for financial support to aid the implementation and ensure schools are safer places to be, for all young people.

Signature

Date 17/11/2025

Police & Crime Commissioner

PART 1 - NON-CONFIDENTIAL FACTS AND ADVICE

Introduction and background

1. This is an initiative backed by the Police and Crime Commissioner which aims to ensure every state high school in Cheshire will become phone-free during the school day — with pupils keeping their devices safely sealed in lockable pouches from the first bell to the last.
2. This bold initiative will aim to make Cheshire the first county in the UK to roll out lockable phone pouches across all its state high schools.
3. It is proposed that £150,000 of funding be set aside from POCA for schools to access as grant funding to cover the cost of providing lockable phone pouches to children on free school meals if they can demonstrate they have secured funding to cover the cost of pouches for the wider school.
4. Phones are powerful tools. But during the school day, they can also be powerful distractions. Even with “out of sight” mobile bans, enforcing the rules is tough. But schools that have made the move to lockable pouches are already seeing dramatic, positive change:
 - 80% fewer online safeguarding incidents
 - Better concentration and behaviour
 - A fivefold increase in library use
 - More pupils joining clubs and enrichment activities
 - It’s a simple idea with extraordinary impact:
 - Lock the phone. Unlock potential.
5. This request builds on the momentum of the national Phone Free Education movement, launched in Parliament in 2025 by Cheshire mum Esther Ghey, whose daughter Brianna Ghey was tragically murdered in 2023. Esther’s campaign called for a future where schools are safe spaces — free from the pressures and risks of online life.
6. The Cheshire PCC’s Phone-Free Schools Fund is designed to help schools take the leap — and make it last by offering up to £150,000 funding support over two years, supporting pupils on free school meals and offering matched funding opportunities from local partners and philanthropic sources.

Issues for consideration

7. This is a crime reduction and prevention project in that it is keeping children safer whilst at school and reducing safeguarding issues by keeping schools phone free during school hours. This will satisfy the crime reduction category for reporting back to the Home Office.
8. The initiative will lead to less online bullying, less harmful content, fewer distractions and fewer exclusions. In Cheshire, we’ve seen the impact this can have — and now we’re leading the way in rolling this out.

Financial Comments

9. The cost of this project is £150,000 meaning the balance of the reserve, if this project is approved, will be £301,726.

Legal Comments

10. There are no Legal requirements associated with this proposal

HR Comments

11. There are no HR requirements associated with this proposal

Equality Comments

12. There are no specific equality implications to this report.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.

Is there a Part 2 form - No

Contact Officer: Sarah Tilling

Tel. No.: 07787 833 119 Email: sarah.tilling@cheshire-pcc.gov.uk

CHIEF EXECUTIVE DECLARATION (Damon Taylor):

I have reviewed the proposal and I am satisfied it is correct, all relevant internal checks have been undertaken and it is an appropriate request to be submitted to the Police & Crime Commissioner.



Signature

Date: 17/11/2025

CHIEF FINANCE OFFICER DECLARATION (Clare Hodgson):

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the presentation of this report. I am satisfied that this is an appropriate request to be submitted to the Police & Crime Commissioner.



Signature

Date: 17/11/2025



JOINT MANAGEMENT BOARD

DECISION NO. 2025/02

DATE: 28 JANUARY 2026

FINANCIAL POSITION REPORT 2025/26: THIRD QUARTER REVIEW

Executive Summary:

The purpose of this report is to provide the Commissioner with the forecast financial outturn for 2025/26 as at the end of December 2025.

On 29 January 2025, the Commissioner approved a gross revenue budget of £305.3m (net £262.5m) together with a capital programme of £13.4m. At the Joint Management Board meeting on 2 July 2025, the Commissioner approved carry forward requests of £1.1m and capital slippage of £3.6m of which £1.8m was confirmed after the original programme was set.

At the end of December 2025, there is a forecast revenue overspend of £1.4m (0.52%), together with a forecast capital underspend of £0.3m (2.4%).

Recommendations:

1. the forecast revenue and capital outturn positions be noted

We have reached the following decision:

Approval of the recommendation.

Our rationale for this decision is:

The third quarter review provides a forecast financial position and details of forecast performance against agreed financial health targets. It reflects cost pressures known at the time of writing and shows a reduction in the forecast overspend position of £0.8m. The position will be monitored regularly with mitigating actions being taken as necessary.

Signature

Date 28 January 2026

Police & Crime Commissioner

Signature

Date 28 January 2026

Deputy Chief Constable

PART 1 – NON-CONFIDENTIAL FACTS AND ADVICE

INTRODUCTION AND BACKGROUND

1. The purpose of this report is to provide the Commissioner with the forecast financial position for 2025/26 as at the end of December 2025. In addition, the report will provide details of performance against the agreed financial health targets.
2. Full details are included in the attached report.



Financial Position
Report 2025-26 Thir

FINANCIAL COMMENTS

3. The financial comments are included in the report.

LEGAL COMMENTS

4. There are no specific legal comments associated with the report.

EQUALITY COMMENTS

5. There are no specific equality comments associated with the report.

BACKGROUND DOCUMENTS

Document Titles
None

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.

Is there a Part 2 form - No

Contact Officer: Bill Malloy, Chief Finance Officer (Constabulary)

Tel. No.: 07879 470810 Email: william.malloy@cheshire.police.uk

CHIEF OFFICER DECLARATION (Chief Finance Officer – Bill Malloy):

I have reviewed the proposal and I am satisfied it is correct, all relevant internal checks have been undertaken and it is an appropriate request to be submitted to the Police & Crime Commissioner.

Signature *Bill Malloy*

Date: 28 January 2026

CHIEF FINANCE OFFICER DECLARATION (Clare Hodgson):

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the presentation of this report. I am satisfied that this is an appropriate request to be submitted to the Police & Crime Commissioner.

Signature



Date: 28 January 2026

Joint Management Board

Financial Position Report

Third Quarter Review

2025-26

Finance

14 January 2026



Cheshire
Constabulary

INTRODUCTION AND BACKGROUND

On 29 January 2025, the Commissioner approved a gross revenue budget of £305.3m (net £262.5m), together with a capital programme of £13.4m. At the Joint Management Board meeting on 2 July 2025, the Commissioner approved carry forward requests of £1.1m and capital slippage of £3.6m of which £1.8m was confirmed after the original programme was set.

EXECUTIVE SUMMARY

At the end of December 2025, there is a forecast revenue overspend of £1.4m (0.52%).

Capital expenditure is forecast at £11.6m against an approved budget of £15.1m. This includes a forecast underspend of £0.3m. There is forecast slippage of £3.2m which mainly relates to reprofiling the timing of anticipated expenditure in respect of the Estates Strategy for Crewe Police Station and the Northern Stations. The capital expenditure financial health target is that outturn should not vary from the Capital Programme by more than 20%. The current forecast is slightly above this at 23% however if the Estates Strategy schemes were discounted, the general capital programme would show a variance to budget of 6% which is well within the financial health target.

REVENUE

The forecast outturn at the end of December 2025 is an overspend of £1.4m, which is 0.52% of the net budget. A summary of the current budget, funding and forecast outturn is shown in Table 1.

Table 1: Summary Provisional Revenue Outturn 2025/26

	Revised Budget	Forecast Outturn	Variance (under)/over	
	£'000	£'000	£'000	%
Constabulary	266,443	268,658	2,215	0.83%
Corporate Costs	(6,499)	(7,342)	(843)	12.97%
OPCC	1,335	1,335	(0)	0.00%
Commissioning	1,247	1,247	0	0.00%
Net Budget	262,526	263,899	1,373	0.52%
Funding:				
Government grant	(150,680)	(150,680)	0	
Council tax (precept)	(111,846)	(111,846)	0	
Funding	(262,526)	(262,526)	0	
Total net (under)/overspend			1,373	

A full breakdown of the budget and forecast outturn by department is shown at Appendix 1. In addition, a breakdown of the budget and forecast outturn by expenditure type (subjective analysis) is also provided at Appendix 2.

Forecast Analysis

The following charts analyse the forecast position by Directorate (Chart 1) and by key departmental variances (Chart 2).

Chart 1: Key Variances by Directorate

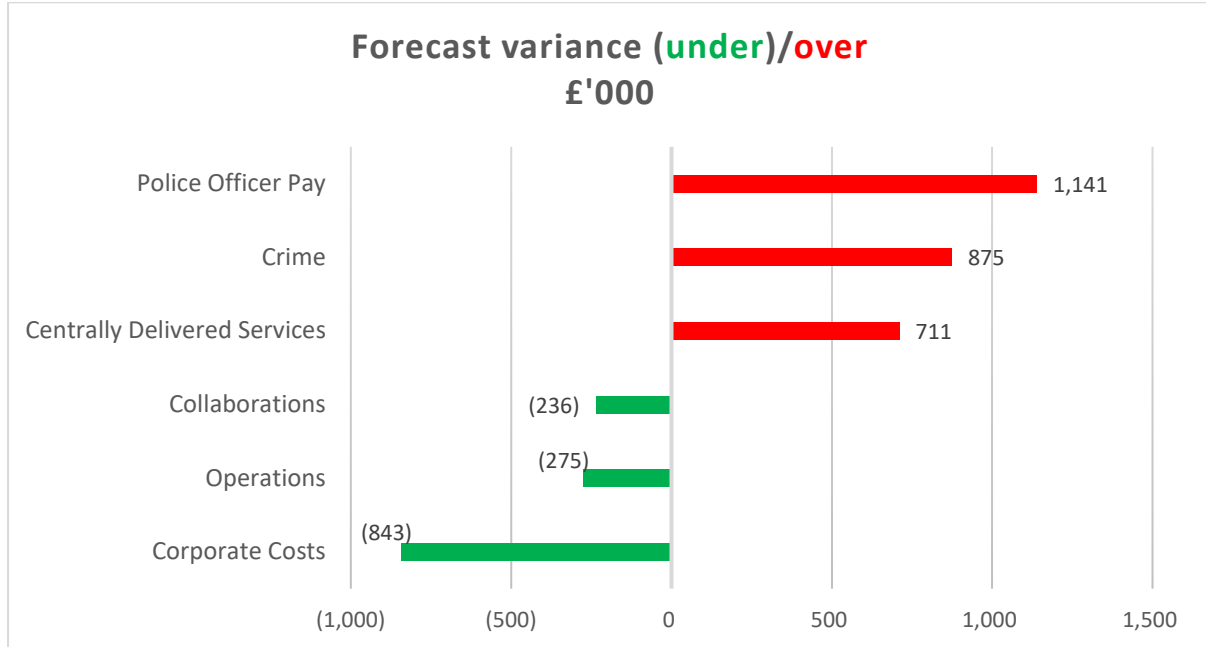
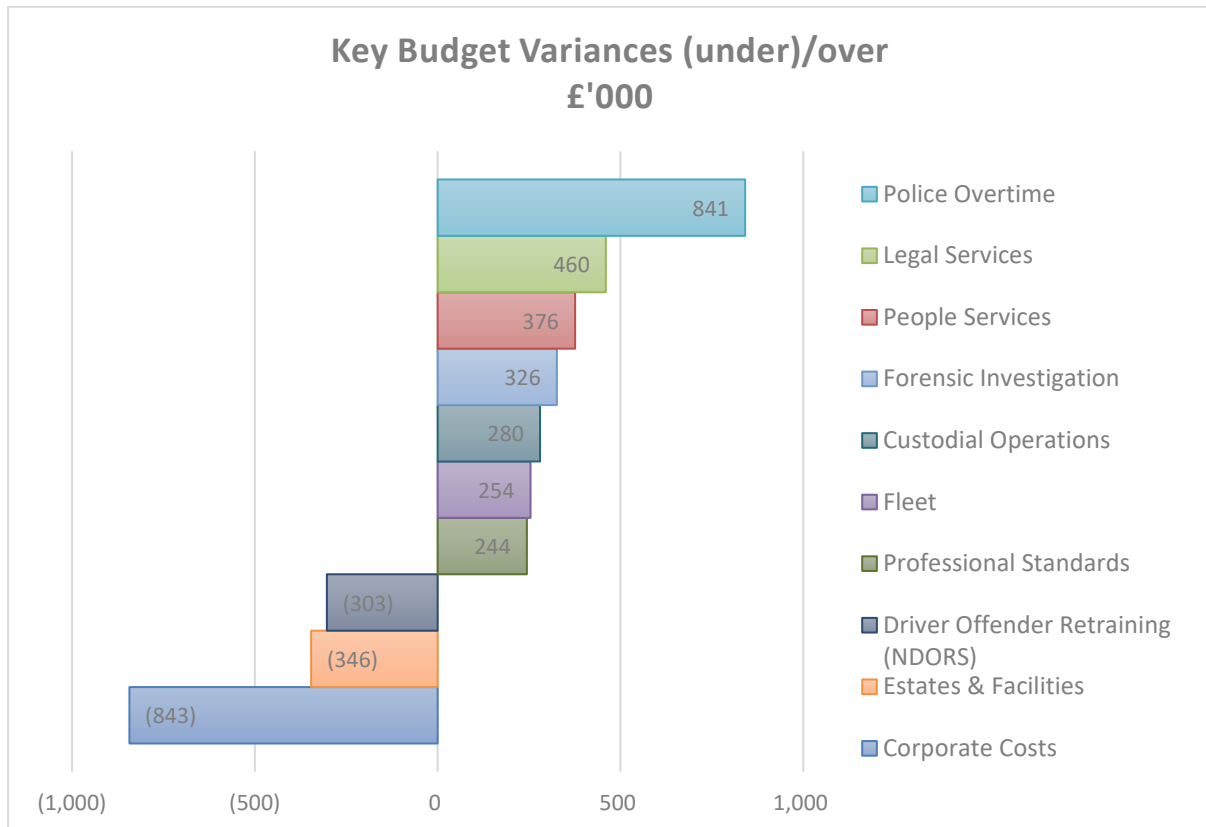


Chart 2: Key Variances by Department



The main reasons for budget variances in Chart 2 are outlined in Table 2.

Table 2: Key Budget Variance Explanations

Department	Variance (under)/over £'000	Explanation
Police Overtime	841 ↓	Average monthly overspend is running at around £80k per month although there is a downward trend in expenditure over the last quarter.
Legal Services	460 ↓	Court fees and legal costs associated with defending litigation.
People Services	376 ↓	Injury on Duty budget not in line with the current approved spending plans and taser training costs.
Forensics	326 ↑	Delay in the Regional Toxicology Facility going live and an increase in forensic analysis due to complex cases.
Custodial Operations	280 ↑	Unachieved staff pay vacancy factor due to maintaining establishment of Detention Officers to maximise Neighbourhood Policing Grant funding.
Fleet	254 ↓	Insurance claims against the Constabulary
Professional Standards	244 ↔	Temporary posts required to meet the continued high demand on the department.
NDORS	(303) ↑	Level of additional income anticipated based on current enforcement levels.
Estates & Facilities	(346) ↓	Lower utility costs and underspend on PFI business rates.
Corporate Costs	(843) ↓	Interest earned on investments through active cash management plus reduced borrowing costs.
Total	1,289 ↓	£0.9m overall reduction since last quarter

Movement since Mid-Year Review

Overall, there is a reduction in the overspend of £0.9m since the mid-year review. The more significant movements are explained in the following areas:

Police Officer Pay

The balanced budget reported at mid-year is now a £300k overspend due to a slower profile of leavers than previously anticipated and changes to the rank profile. The profile of starters and leavers is closely monitored to ensure that the establishment meets the required targets to maximise funding from both the National Uplift Programme and Neighbourhood Policing grant.

Police Officer Overtime

The overspend has reduced by £80k since the mid-year review to a revised £841k due to active management control which is evident in the downward trajectory of expenditure over the last quarter.

Local Policing

The latest forecast is an overspend of £187k which is an increase of £120k since mid-year. This is mainly due to rising kennel costs (forecast £600k), offset by savings on staff pay due to temporary vacancies. Whilst a grant has been received from DEFRA to contribute towards last year's costs, no further funding is anticipated.

Uniform Operations

There is a favourable movement of £266k in the overspend reported at mid-year, with an underspend of £35k now reported. This is partly due to additional mutual aid income in the last quarter, and a reduced forecast on the T10 Taser Project in relation to the costs of the platform that will analyse how the technology is used. In addition, there is residual income on the Creamfields budget, representing a contribution toward the wider costs of this event.

Driver Offender Retraining (DORS)

The underspend reported at mid-year has reduced by £289k to £303k. This reflects the downward trend of enforcement levels experienced over the last quarter.

Information & Technology

The underspend reported at mid-year has increased by £72k to a revised £239k. This is mainly due to slippage on Microsoft Teams and Duty Management System planned updates.

Legal Services

There is a £178k reduction in the overspend reported at mid-year due to a trial of new tactics which has seen reduced pressure on litigation budgets. In addition, there is an increase in income from incident report disclosures. The result is a revised overspend of £460k.

Estates & Facilities

The underspend has increased by £125k since mid-year to a revised £346k, predominantly due to backdated MASH accommodation charges which have been waived by Warrington Borough Council.

People Services

The overspend reported at mid-year has reduced by £127k to a revised £376k. This is mainly due to a lower number of ill health retirements than originally anticipated, offset by increased pension and gratuity payments for injuries on duty and one-off set-up costs of the XPS Pension dashboard.

Collaborations

The latest forecast is an underspend of £236k which is an increase of £126k since the mid-year and is predominantly due to staff recruitment delays within the SPOC collaboration.

Corporate Costs

Additional investment interest earned in the last quarter, together with reduced borrowing costs, has increased the forecast underspend from £273k to a revised £843k.

Contingency

Commitments to date stand at 21% of the combined contingency (central and operational). The forecast continues to assume that both contingencies will be utilised in full, thereby allowing for unforeseen circumstances that may arise during the remainder of the year.

CAPITAL

Capital Programme

The capital programme is outlined in Table 3.

Table 3: Capital Programme 2025/26

	£000	
Schemes commencing in 2025/26	11,509	
Previous years' schemes	1,856	
Capital Budget – approved at budget setting	13,365	
Additional slippage identified at 2024/25 outturn	1,764	
In-year budget movements – year to date total	(8)	(ii)
Revised Capital Budget 2025/26	15,121	
Forecast Slippage	(3,240)	(iii)
Forecast over/(underspend)	(282)	(iv)
Capital Programme to be funded 2025/26	11,599	(i)

- (i) The forecast capital programme to be funded for 2025/26 is £11.6m. Total slippage brought forward from 2025/26 of £3.6m was approved via a combination of the 2025/26 Budget report and the 2024/25 Revenue & Capital Outturn report presented to Joint Management Board 2 July 2025.
- (ii) There has a budget reduction of £0.3m during third quarter which relates to the Body Worn Video Isilon Storage Expansion which is no longer required.
- (iii) Slippage has reduced since mid-year by £0.6m, from £3.8m to £3.2m. There is a reduction of £ 0.9m on the new station at Crewe as there is now expected to be more work completed in 2025/26 than originally forecast. The balance of a £0.3m increase is made up of smaller changes over several schemes.
- (iv) At Third Quarter there is a forecast underspend of £0.282m. The net underspend of £0.05m since mid-year relates mainly to the Body Worn Video Scheme with an underspend of £0.165m. There is an increased overspend on the Underwater Search Unit (UWSU) of £0.127m due to the purchase of sonar equipment which will be funded from the UWSU reserve. The remaining balance of £0.038m relates to small changes on other schemes.

Full breakdown is included at Appendix 3.

Capital Expenditure

At the end of December, £7.6m has been spent. The main areas of spend are £3.0m relating to annual Fleet Vehicle replacement, £2.4m Estates Schemes and £2.2m for IT schemes. Progress on the key/larger schemes is explained below.

Estates Strategy – Crewe Police Station

There is a budget of £4.9m in 2025/26. Work has commenced in January 2026 although it is expected that £2.0m will slip into 2026/27, this is a reduction of £0.9m from the mid-year estimate as more work is now expected to be completed in 2025/26.

The PCC has approved an increase to the overall project budget of £2.3m giving a total budget of £16.5m.

Estates Strategy – Northern Stations

There is a budget of £1m in 2025/26 and £1m in 2026/27 to refurbish the Northern Stations (Runcorn, Widnes, Arpley Street and Charles Stewart House). The first tranche of work will be at Arpley Street. There will be estimated slippage of £0.9m into 2026/27, with the major projects being completed by the end of 2026/27.

Fleet Vehicle Replacement Programme

Slippage of £0.1m from 2024/25 had been spent at first quarter. There is a 2025/26 budget of £2.664m (including £0.1m for dog vans) of which £2.249m has been spent at third quarter. The balance of the budget is expected to be spent before 31 March 2026.

Technology Refresh

There is budget of £1.1m to cover 3-year replacement of devices. The bulk of the equipment has been delivered with a spend of £0.949m to date.

Replacement of Body Worn Video

There is a budget of £0.85m to replace the current fleet of body-worn video (BWV) cameras which have now passed their 6-year lifespan. The new cameras have been delivered and rolled out with an underspend of £0.161m.

Body Worn Video Isilon Expansion (Storage)

The £0.3m budget for this scheme is no longer required as storage is now available within Digital Evidence Management.

Capital Financing

The Financing of the 2025/26 Programme is shown in Table 4.

Table 4: Capital Financing

	£000	
Capital Receipts	1,633	
General Grant	0	
Specific Grant	12	
Revenue Contributions	1,049	
HQ IT Reserve	294	
Additional contributions (Internal & External)	2,123	
UWSU Reserve	312	
Borrowing	6,176	(i)
Total	11,599	

- (i) Although £6.2m of the capital spending in 2025/26 will be financed by borrowing, this relates to how capital financing is accounted for within existing target internal borrowing levels in line with the currently approved Treasury Management Strategy. This will be reviewed during the year with any new borrowing timed to optimise the interest rate payable.

TREASURY MANAGEMENT

The updated CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that the Commissioner is updated on treasury management activities at least quarterly. The following Treasury Management update therefore ensures best practice in accordance with the Code.

On 18 December 2025, the Bank of England's Monetary Policy Committee (MPC) cut the Bank Rate by 0.25% to 3.75% with further cuts expected in 2026.

As at 31 December 2025, the Commissioner's investments are with Federated Hermes Money Market Fund, Aberdeen Liquidity Money Market Fund, Blackrock Liquidity Money Market Fund, Handelsbanken and Barclays (flexible call account), all of which are used regularly to manage day to day cashflows.

There have been no instances of non-compliance with approved Annual Investment Strategy limits during the year.

Prudential and Treasury Indicators

It is a statutory duty for those charged with governance to determine and keep under review a range of prudential indicators and treasury limits. Table 5 compares the estimated performance on key prudential indicators in 2025/26 against those approved by the Commissioner in January 2025.

Table 5: Prudential and Treasury Indicators

Prudential Indicators	2025/26 Indicator £000	2025/26 Estimate £000	Comment
Capital expenditure	13,365	11,599	Reduction of £2.7m in revenue contribution partly offset by savings and slippage.
<u>Capital financing requirement</u>			
- Borrowing requirement	36,856	37,732	
- Other long-term liabilities	12,080	12,120	
Total	48,936	49,852	
Annual change in capital financing requirement	926	2,930	
Gross borrowing requirement: (Under) / Over borrowing	(4,967)	(5,843)	Reduction of £2.7m in revenue contribution partly offset by savings and slippage.
Ratio of financing costs to net revenue stream	1.19%	1.10%	Lower Capital Financing costs in 2025/26 due to lower capital expenditure in 2024/25.
Treasury Indicators	2025/26 Indicator £000	2025/26 Estimate £000	
Authorised limit for external debt	63,158	63,158	Set 29/1/25, No change during 2025/26
Operational boundary for external debt	60,158	60,158	
Actual external debt			Current borrowing £26.889m plus new borrowing in 2025/26 if needed £5m = £31.889m.
- Borrowing	31,889	31,889	
- Other long-term liabilities (PFI & IFRS16 Loans)	12,080	12,120	
Total	43,969	44,009	
Upper limit of fixed interest rate exposure	100%	100%	
Upper limit of variable interest rate exposure	25%	0%	No variable rate loans held or planned
Upper limit for principal sums invested for over 364 days	£nil	£nil	No longer term investments held or planned.

RESERVES

The Reserves Strategy 2025/26 was approved as part of the Medium-Term Finance Strategy on 29 January 2025. Table 6 shows the forecast year-end balances based on the impact of the capital financing proposals in Table 4.

Table 6: Revenue and Capital Reserves

	1 April 2025 £000	Movement £000	31 March 2026 £000
General Reserves			
General Fund	5,773	0	5,773
Medium Term Financial Strategy Reserve	3,081	(116)	2,965
Earmarked Revenue Reserves			
Carry Forward Reserve	2,071	(2,071)	0
Redundancy Reserve	0	0	0
POCA Reserve	703	(252)	452
Hardship Loan Reserve	50	(50)	0
Major Investigations Reserve	1,181	300	1,481
Estates Strategy Reserve	500	0	500
Road Safety Initiatives Reserve	348	(100)	248
Council Tax Deficit Reserve	769	(73)	696
Pay and Pension Reserve	301	(101)	200
Commissioning Reserve	527	(250)	277
IT Reserve	291	(291)	0
Earmarked Capital Reserves			
Revenue Reserve for Capital Expenditure	1,578	(1,578)	0
ESN Reserve	226	0	226
Capital Receipts	112	(112)	0
Total Cheshire Reserves	17,511	(4,693)	12,818

One of the financial health targets requires the level of general reserves, after allowing for potential financial risks, to be maintained at no lower than 3% of the net budget. The current net budget is £262.5m and general reserves are forecast to be at £8.7m by the year end equating to 3.3%.

As lead force, Cheshire holds several Collaboration Reserves on behalf of partner forces for which Cheshire has a share in line with the relevant collaboration agreements. The Collaboration Reserves held by Cheshire equate to approximately 9% of the total reserves held. A breakdown of the Collaboration reserves held can be seen in Table 7.

Table 7: Collaboration Reserves

	£000
Underwater Search Unit (UWSU)	837
Armed Police Alliance	343
North-West Armed Police	40
Cheshire Resilience Forum	28
Total	1,248

OUTSTANDING DEBT

Monitoring outstanding debt and taking action to ensure efficient and timely recovery is an important function in the governance of the budget. The Constabulary has a financial health target to collect at least 50% of debtor income within one month of it being raised. The position on 31 December 2025 is shown in Table 8.

Table 8: Outstanding Invoiced Debt

	£000
Within 1 Month	77
Within 1 to 2 Months	(2)
2 Months or more	181
Other Public Sector	166
Collaborations	723
Total Invoiced Debt	1,145

The Constabulary collected 72% of debt within one month during the third quarter. Debt is regularly monitored, with any outstanding debt pursued. Where appropriate, payment plans are put in place to ensure debts are recovered. Debt will only be written off when all avenues have been exhausted, or it is no longer economically viable to pursue.

APPENDIX 1 – Departmental Forecasts

	Full Year Budget	Forecast Outturn	Forecast Variance (under)/over	
Police Officer Pay	£000	£000	£000	%
Police Pay	146,341	146,641	300	0%
Police Overtime	3,195	4,036	841	26%
Total Police Officer Pay	149,536	150,677	1,141	
Crime				
Forensic Investigation	5,420	5,746	326	6%
Force Intelligence	2,949	2,830	(119)	(4%)
Serious Organised Crime	3,534	3,619	85	2%
Major Investigations	1,191	1,224	33	3%
Custodial Operations	1,847	2,127	280	15%
Protecting Vulnerable Persons	2,456	2,579	123	5%
Criminal Justice	3,365	3,512	147	4%
Total Crime	20,762	21,637	875	
Operations				
Local Policing	6,387	6,574	187	3%
Public Contact	17,879	17,767	(112)	(1%)
Uniform Operations	1,332	1,297	(35)	(3%)
Roads and Crime	818	796	(22)	(3%)
Driver Offender Retraining (NDORS)	(1,904)	(2,207)	(303)	16%
Information & Technology	17,124	16,885	(239)	(1%)
Fleet	3,862	4,116	254	7%
Information Management	1,128	1,123	(5)	(0%)
Total Operations	46,626	46,351	(275)	
Centrally Delivered Services				
Planning & Performance	3,295	3,258	(37)	(1%)
Legal Services	2,462	2,922	460	19%
Corporate Communications	1,380	1,477	97	7%
Command	485	487	2	0%
Finance	1,451	1,365	(86)	(6%)
Estates & Facilities	14,016	13,670	(346)	(2%)
People Services	12,866	13,242	376	3%
Professional Standards	803	1,047	244	30%
Total Centrally Delivered Services	36,758	37,469	710	
Collaborations				
Collaborations - Force Operations	12,211	11,975	(236)	(2%)
Total Collaborations	12,211	11,975	(236)	
Contingency	550	550	0	0%
Corporate Costs	(6,499)	(7,342)	(843)	13%
TOTAL CONSTABULARY COSTS	259,944	261,317	1,373	
Office of the Police & Crime Commissioner				
OPCC	1,335	1,335	0	0%
OPCC Commissioning	1,247	1,247	0	0%
Total Office of the Police & Crime Commissioner	2,582	2,582	0	
TOTAL SERVICE COSTS	262,526	263,899	1,373	

APPENDIX 2 – Subjective Analysis

	Full Year	Forecast	Forecast Variance	
	Budget	Outturn	(under)/over	
	£'000	£'000	£'000	%
Pay & Employment Costs				
Police Officer Pay	159,713	162,590	2,877	2%
Staff Pay	73,195	72,696	(499)	(1%)
PCSO Pay	4,247	4,164	(83)	(2%)
Police Officer Pensions	4,287	4,539	252	6%
Other Employee Costs	2,488	2,667	179	7%
Total Pay & Employment Costs	243,930	246,656	2,726	1%
Property Related Costs				
PFI Payments	8,458	8,458	0	0%
Utilities	2,080	1,906	(174)	(8%)
Rent & Rates	2,430	2,483	53	2%
Building Maintenance	1,284	1,354	70	5%
Other Premises Costs	283	320	37	13%
Total Property Related Costs	14,535	14,521	(14)	(0%)
Transport Related Costs				
Vehicle Related	3,821	4,176	355	9%
Car Allowances & Travel Exps	749	958	209	28%
Total Transport Related Costs	4,570	5,134	564	12%
Supplies & Services				
Communications & Computing	9,934	10,264	330	3%
Specific Grants Awarded	3,550	5,884	2,334	66%
Other Supplies & Services	2,808	4,092	1,284	46%
Custody Costs	1,787	1,747	(40)	(2%)
Forensic Costs	1,474	1,809	335	23%
NDORS Fees	1,312	1,622	310	24%
Professional Fees	1,242	1,228	(14)	(1%)
Equipment Purchases/Maintenance	1,116	1,189	73	7%
Insurance	903	1,094	191	21%
Clothing & Uniforms	578	580	2	0%
Legal Costs	404	736	332	82%
Total Supplies & Services	25,108	30,245	5,137	20%
Third Party Payments				
Outsourced Services	12,484	12,332	(152)	(1%)
Other Third Party Payments	2,901	2,897	(4)	(0%)
Partnership Payments	631	600	(31)	(5%)
Total Third Party Payments	16,016	15,829	(187)	(1%)
Capital Financing Costs				
Revenue Contribution to Capital	3,748	3,748	0	0%
Minimum Revenue Provision	2,079	2,047	(32)	(2%)
Debt Charges	1,190	851	(339)	(28%)
Total Capital Financing Costs	7,017	6,646	(371)	(5%)
Transfers to/from Reserves	(1,320)	(1,320)	0	0%
TOTAL EXPENDITURE	309,856	317,711	7,855	3%
INCOME				
Other Home Office Grants	(22,341)	(24,889)	(2,548)	11%
Sales, Fees & Charges	(8,439)	(11,031)	(2,592)	31%
PFI Grant	(7,230)	(7,230)	0	0%
Home Office Pension Fund Grant	(6,565)	(6,526)	39	(1%)
NDORS Income	(1,211)	(1,518)	(307)	25%
Local Partnership Funding	(1,144)	(1,646)	(502)	44%
Investment Interest	(400)	(972)	(572)	143%
TOTAL INCOME	(47,330)	(53,812)	(6,482)	14%
NET SERVICE COSTS	262,526	263,899	1,373	1%

APPENDIX 3 – Capital Scheme Forecasts

<u>DETAILS OF CAPITAL SCHEMES</u>	Financial Year	Revised Budget £000	Spend @ December 25 £000	2025/26 Out- turn £000	Total Slippage £000	Over/ - Under £000
Capital Scheme						
<u>Estates</u>						
Estates Strategy - Crewe *	2025/26	4,903	817	2,890	2,012	(0)
Estates Essential Maintenance and Improvement Schemes	2025/26	100	101	101	0	1
Forensics Access restrictions	2025/26	30	0	8	0	(22)
Decarbonisation Measures *	2025/26	75	0	0	0	(75)
Refurbishment of HQ ground floor meeting spaces	2025/26	50	0	50	0	0
Estates Strategy - Northern Stations	2025/26	1,000	16	50	950	0
New Taser Range TTC	2025/26	150	149	149	0	(1)
<u>IT</u>						
Technology Refresh – Network, Servers, Laptop, Desktop	2025/26	1,080	949	1,080	0	0
Technology Refresh - Infrastructure (Servers/Network)	2025/26	225	57	225	0	0
Mitel Handset Replacement - Teams	2025/26	50	0	0	50	0
FCC Virtual Infrastructure Hardware	2025/26	800	389	389	0	(411)
Body Worn Video Isilon Expansion (Storage)	2025/26	0	0	0	0	0
Replacement of Body Worn Video (phased replacement)	2025/26	850	689	689	0	(161)
Technology Refresh – E-Forensics	2025/26	40	13	40	0	0
<u>Fleet & Collaborations Vehicles</u>						
Armed Alliance Vehicle Replacements	2025/26	600	424	522	78	0
Under Water Search Unit equipment	2025/26	52	0	223	8	179
Annual Vehicle Replacement Programme	2025/26	2,664	2,249	2,664	0	0
Workshop capital equipment	2025/26	119	7	69	0	(50)
Dogs Vehicle Replacements	2025/26	0	0	0	50	50
Total 2025/26 approvals		12,788	5,861	9,149	3,149	(490)
<u>Multiple Year Schemes</u>						
<u>Estates</u>						
Replacement Chiller Units - Blacon PS	2022/23	86	60	86	0	0
Blacon DHQ roof remedials	2024/25	50	0	125	0	75
Estates Strategy - Wilmslow	2023/24	713	638	730	34	51
Custody Suites Refurbishment project and AFI's	2024/25	508	544	570	10	72
Ref areas, welfare rooms – CSH, Arpley St, Runcorn (Phase 1)	2024/25	132	54	115	17	0
ABE suite at CSH	2024/25	30	0	0	30	0
<u>IT</u>						
Corporate Wifi Upgrade	2024/25	7	0	7	0	0
Digital Interview Recorders - replacement	2024/25	200	45	200	0	0
Technology Refresh – E-Forensics	2023/24	11	11	11	0	0
<u>ANPR</u>						
ANPR Cameras Motorways	2021/22	12	0	12	0	0
Cheshire EVOX ANPR Camera Refresh	2022/23	9	0	9	0	0
ANPR expanded capability match funding	2022/23	15	10	15	0	0
In-Car ANPR/Video Refresh - Cheshire Vehicles	2023/24	49	15	49	0	0
In-Car ANPR/Video Refresh - Alliance Vehicles	2023/24	61	0	61	0	0
ANPR Infrastructure - Home Office Funded	2023/24	94	73	94	0	0
<u>Fleet & Collaborations Vehicles</u>						
Under Water Search Unit equipment	Various	192	186	201	0	9
Annual Vehicle Replacement Programme	2023/24	95	95	95	0	0
Workshop capital equipment	2023/24	7	7	7	0	0
Vehicle key and building security	2024/25	63	12	63	0	0
Total Prior Year Approvals		2,333	1,750	2,449	91	207
Total Capital Programme 2025/26		15,121	7,611	11,599	3,240	(282)



JOINT MANAGEMENT BOARD

DECISION NO. 2026/03

DATE: 28 JANUARY 2026

TREASURY MANAGEMENT STRATEGY 2026/27

Executive Summary:

To present the Treasury Management Strategy for 2026/27 for approval including the associated prudential indicators, annual investment strategy and minimum revenue provision statement.

Recommendation:

- 1) That approval be given to the Treasury Management Strategy (Appendix 1) for 2026/27 including:
 - The Liability Benchmark (Appendix 1, paragraph 4.5);
 - The Ratio of financing costs to net revenue funding (Appendix 1, paragraph 4.7.1);
 - the Authorised External Debt Limits (Appendix 1, paragraph 5.3.7);
 - the Interest Limits and Maturity structure of fixed interest rate borrowing (Appendix 1, paragraph 5.8.1);
 - the Annual Investment Strategy (Appendix 1, paragraph 6); and
 - the Minimum Revenue Provision Statement (Appendix 1, paragraph 7).

I have reached the following decision:

Approval of the recommendation.

My rationale for this decision is:

The adoption of the Treasury Management Strategy supports my commitment to ensure effective stewardship and the efficient use of public funds.

Signature

Date: 28 January 2026

Police & Crime Commissioner

PART 1 – NON-CONFIDENTIAL FACTS AND ADVICE

INTRODUCTION AND BACKGROUND

1. Treasury Management covers the cashflow, investment and borrowing activities together with the impact of budgetary decisions on such activities. The Commissioner is required to approve an annual Treasury Management Strategy, its associated prudential indicators, an Annual Investment Strategy and a Minimum Revenue Provision Statement. These documents have links to the budget and medium-term financial strategy. The documents are set out in the Appendix.
2. CIPFA published revised Prudential and Treasury Management Codes on 20 December 2021. The Commissioner has regard to these codes of practice when he prepares the Treasury Management Strategy Statement and included Annual Investment Strategy.
3. The revised codes have a number of implications for public sector organisations although most have limited or no impact on the Commissioner who does not currently hold or plan to enter into any commercial or non-treasury investments. In view of this, the most notable new requirement for the Commissioner is a requirement to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement (included at paragraph 4.5 of the Appendix).
4. Borrowing is restricted to financing capital expenditure but is not statutorily limited by amount. The level of borrowing is set by each organisation but under recommended boundaries, which recognise future capital plans over a three-year period and the impact any borrowing will have on revenue funding. To ensure that these boundaries are not exceeded, an Authorised Limit (paragraphs 5.3.5 to 5.3.7) is set for all capital financing liabilities including borrowing, leasing and PFI schemes. It is calculated based on current borrowing and financing arrangements together with the year-on-year movements and the impact of future capital financing requirements. This is a statutory limit and requires approval from the Commissioner.
5. With all forms of financing there is a cost implication usually in the form of interest. Fluctuations in interest rates have a direct impact on the revenue budget and therefore boundaries are recommended on the exposure to such risks. There are two prudential indicators included in the attached Strategy - the 'Interest rate limits' and 'Maturity structure of fixed interest rate borrowing'. The first limits the amount of borrowing that can be undertaken with variable interest rates. These rates may be attractive when rates are falling but can prove costly if rates start to rise. It is proposed that this is limited to 25% of the overall borrowing. The second indicator is designed to ensure that maturity profile of the loans is not concentrated into a short period of time leaving the organisation exposed to the prevailing interest rates at that point. The proposed profile spreads the risk over a suitable timeframe.
6. The cashflow of funding and expenditure and the level of reserves held result in cash available for temporary investment. Such investments earn interest which, in turn, supports the revenue budget. A number of high-profile events have identified the risks associated with such activity and an Annual Investment Strategy is included within the overall Treasury Management Strategy setting out what types of investments are permitted, the means by which counterparties are chosen and the limits in amounts to be exposed to any individual organisation or group. This Strategy follows the principles of MUFG Corporate Markets investment guidance which is monitored daily and only those meeting the minimum requirement are chosen as counterparties. MUFG Corporate Markets are the Commissioner's Treasury Management advisers. A limit of £10m is applied to each organisation or group. While this Strategy cannot negate all risks it does follow the principle of security first, liquidity next and yield last in terms of investment decisions.
7. Finally, borrowing has to be repaid and there is a requirement to set aside funding each year to meet the repayments. This set aside funding is called the Minimum Revenue

Provision and a statement showing how it has been calculated is included in the attached Strategy. The Commissioner is asked to approve this Statement.

FINANCIAL COMMENTS

8. All financial issues are covered within the Appendix.

LEGAL COMMENTS

9. The attached Strategy covers the requirements of the Local Government Act 2003, the Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) Investment Guidance, DLUHC Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

EQUALITY COMMENTS

10. A full impact assessment is not required as it is considered that the outlined Strategy will not disproportionately adversely affect any protected characteristic community as defined in the Equality Act 2011.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.

Is there a Part 2 form - No

Contact Officer: Bill Malloy, Chief Finance Officer (Constabulary)

Tel. No.: 07879 470810 Email: william.malloy@cheshire.police.uk

CHIEF OFFICER DECLARATION (Constabulary Chief Finance Officer):

I have reviewed the proposal and I am satisfied it is correct, all relevant internal checks have been undertaken and it is an appropriate request to be submitted to the Police & Crime Commissioner.

Signature *Bill Malloy*

Date: 28 January 2026

CHIEF FINANCE OFFICER (OPCC) DECLARATION (Clare Hodgson):

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the presentation of this report. I am satisfied that this is an appropriate request to be submitted to the Police & Crime Commissioner.

Signature



Date: 28 January 2026

Treasury Management Strategy 2026-27



Cheshire
Police & Crime
Commissioner



Cheshire
Constabulary

TREASURY MANAGEMENT STRATEGY 2026/27

1. BACKGROUND

- 1.1 The Police & Crime Commissioner (the Commissioner) is required to operate a balanced budget meaning that cash raised during the year from grants, council tax and other income sources will match the cash expenditure for the year. The first requirement of treasury management is to ensure that this cash flow is adequately planned with cash being available when it is needed. Surplus funds are invested in low-risk counterparties or financial instruments commensurate with a low-risk appetite, that offer adequate liquidity (i.e. ease of access) before considering any return on the investment. The investment strategy objectives are, in order of priority, security, liquidity and then yield (i.e. interest earned).
- 1.2 The second main function of treasury management is the funding of the capital programme. The capital programme and plans provide a guide to the Commissioner's borrowing requirement which is essentially the longer-term cash flow planning to ensure that the capital programme commitments can be met. The management of longer-term cash flow may involve arranging long or short-term loans or by using cash flow surpluses. Any debt currently held may also be re-structured when favourable conditions arise and in line with risk and/or cost objectives.
- 1.3 The contribution treasury management makes to the organisation is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. Treasury operations will see a balance of the debt interest and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund balance.
- 1.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

'The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities. The Commissioner does not currently undertake or plan to enter into any non-treasury activities.

- 1.5 CIPFA published revised Prudential and Treasury Management Codes on 20 December 2021. The Commissioner has regard to these codes of practice when he prepares the Treasury Management Strategy Statement and included Annual Investment Strategy.
- 1.6 The code states that all investments and investment income must be attributed to one of the following three purposes:

Treasury Management

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity that seeks to manage prudently the risks, costs or income relating to existing or forecast debt or treasury investments. All of the Commissioner's current and planned investments fall into this category.

Service Delivery

Investments held primarily and directly for the delivery of public services including housing, regeneration, and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose". The Commissioner has no Service Delivery investments.

Commercial Return

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to an organisation's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. The Commissioner must not and does not borrow to invest primarily for financial return.

- 1.7 The CIPFA 2021 Prudential and Treasury Management Codes require the preparation of a Capital Strategy providing a longer-term focus to capital plans including:
- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed
 - the implications for future financial sustainability

The Capital Strategy is reported separately as part of the annual budget report pack. The aim of the strategy is to ensure that the Commissioner fully understands the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

2. **TREASURY MANAGEMENT REPORTING REQUIREMENTS**

2.1 The Commissioner is required to receive and approve, as a minimum, three main reports each year which incorporate policies, estimates and actual income and expenditure.

Prudential and Treasury Indicators and Treasury Strategy (this report) – the first and most important report which is forward looking covering:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy statement (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised and includes the treasury indicators); and
- an Investment Strategy (the parameters on how investments are to be managed).

A Mid-Year Treasury Management Report – this updates the Commissioner on the progress of the capital position, updates prudential indicators as necessary and whether the actual execution of treasury management is in line with the Strategy or whether any policies need revision.

An Annual Treasury Management Report – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny - The above reports are required to be adequately scrutinised before being recommended to the Joint Management Board (JMB). This scrutiny is undertaken at regular strategic finance meetings of the Chief Finance Officers for the Commissioner and the Constabulary, together with the Chief Accountant.

Quarterly reports – In addition to the three major reports detailed above, from 2023/24, additional quarterly reporting (end of June/end of December) is also required. This requirement is fulfilled by the inclusion of updated and forecast Treasury/Prudential Indicators within the main First Quarter and Third Quarter financial review reports to JMB.

3. **TREASURY MANAGEMENT STRATEGY 2026/27**

3.1 The Treasury Management Strategy covers two main areas:

Capital:

- The capital expenditure plans and associated prudential indicators; and
- The minimum revenue provision (MRP) policy statement.

Treasury Management:

- The current position;
- Treasury indicators which limit the treasury risks and activities of the Commissioner;
- Prospects for interest rates;
- The borrowing strategy;

- The policy on borrowing in advance of need;
- Debt rescheduling;
- The investment strategy;
- The policy on creditworthiness; and
- The policy on using external service providers in relation to Treasury Management.

3.2 These elements cover the requirements of the Local Government Act 2003, Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance, MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

3.3 The CIPFA Treasury Management Code requires the responsible officer (the Chief Finance Officers for the OPCC & Constabulary) to ensure that anyone with responsibility for treasury management receives adequate training. The Code requires that organisations have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision-making which is appropriate to the size and complexity of the organisation's treasury management needs.

3.4 The external treasury management supplier will provide suitable training during the year as appropriate, and the training needs of treasury management officers will be continuously reviewed in order to maintain those skills and keep them up to date.

3.5 The Commissioner uses MUFG Corporate Markets as his external treasury management advisors. However, it is recognised that responsibility for treasury management decisions remains with the Office of the Police & Crime Commissioner (OPCC) at all times and overdue reliance will not be placed upon one source of advice alone. Nevertheless, it is also recognised that there is value in employing external advisors in order to gain access to specialist skills and resources.

4. **CAPITAL EXPENDITURE PRUDENTIAL INDICATORS 2026-31**

4.1 **Capital Expenditure**

4.1.1 Capital expenditure plans are a key driver of treasury management activity. The funding of such plans impact on cash balances and borrowing requirements in the short and longer terms. The ongoing consequences of these decisions have a direct impact on the annual revenue budget. As such, the following prudential indicators show the proposed capital expenditure plans, how they are to be funded, the impact on the organisation's finances and their affordability in terms of the impact on revenue budgets.

4.1.2 This prudential indicator is a summary of the capital expenditure plans, both those agreed previously and those forming part of this budget cycle. These are based on forecast 2025/26 cash spend along with the planned future capital programme.

Table 1: Capital Expenditure

2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000	2029/30 Estimate £000	2030/31 Estimate £000
11,599	20,525	11,218	15,589	8,242	7,190

- 4.2 The next table shows how the above capital expenditure is to be financed. Where there is a shortfall in available funds, the shortfall is covered by an additional borrowing requirement. It is anticipated that additional borrowing will be required over the period, however through pro-active management of the internal borrowing position it is anticipated that actual new external borrowing required will be approximately £14m in year 2026-27, £2m in 2027/28 and a further £7m in 2028/29.
- 4.3 The current Estates Strategy 2021-2031, jointly developed between the Commissioner and the Constabulary recognises that planned changes to the estate’s footprint require additional capital financing. The latest forecast costs in respect of the new station at Crewe, which will be completed during the period covered by this Treasury Management Strategy, have been included. Estimated costs have also been added for the refurbishment of the main North Cheshire Police Stations in Warrington and Halton in 2026/27. Any further major schemes associated with the strategy will be subject to future business cases and no financial provision is therefore contained within this strategy. Also included are estimated costs of £12.1m (the majority in 2028/29 and 2029/30) for the replacement Emergency Services Network (ESN) to be funded by borrowing.

Table 2: Capital Financing

2025/26 Estimate £000		2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000	2029/30 Estimate £000	2030/31 Estimate £000
11,599	Forecast Spend	20,525	11,218	15,589	8,242	7,190
	<u>Financed by:</u>					
12	Specific capital grants	0	0	0	0	0
1,633	Capital Receipts	5,500	1,670	0	0	0
3,172	Capital Reserves & Revenue Contributions	2,609	5,132	5,263	4,329	6,169
606	Revenue Reserves	472	744	294	294	294
6,176	Borrowing requirement	11,944	3,672	10,032	3,619	727

- 4.4 **Capital Financing Requirement (or borrowing needs)**
- 4.4.1 The second prudential indicator is the Commissioner’s Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure, which has not yet been financed either from revenue or capital funds. It is essentially a measure of borrowing need and any capital expenditure not financed in the above table will increase the CFR.

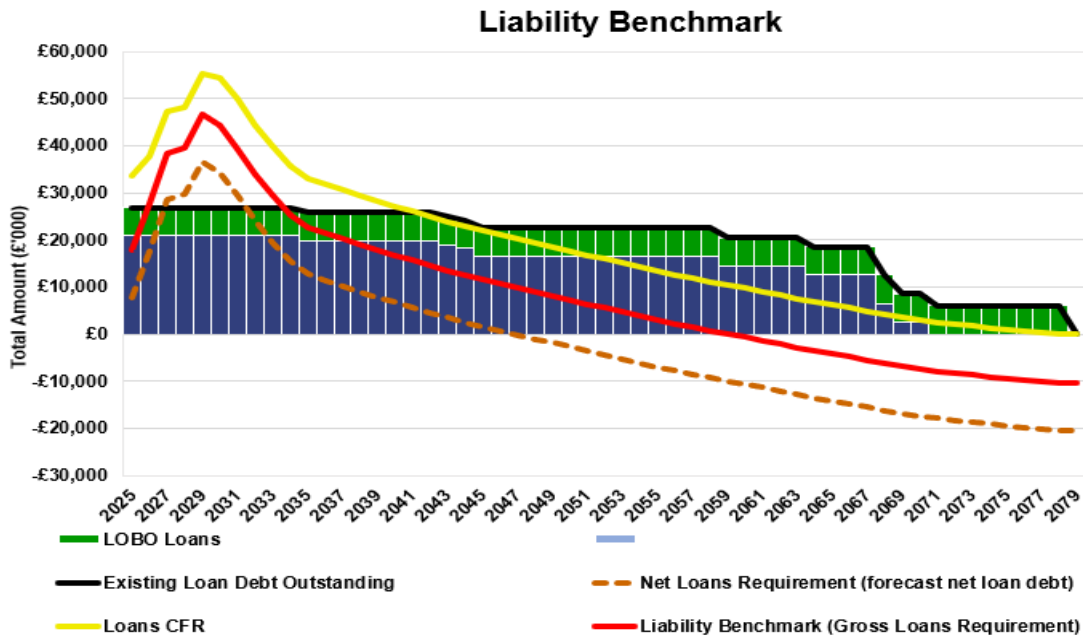
Table 3: Capital Financing Requirement (CFR)

2024/25 Actual £000	2025/26 Estimate £000		2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
33,603	37,732	Borrowing Requirement	47,231	48,209	55,345
13,319	12,120	Other long-term liabilities	10,878	9,596	8,042
46,922	49,852	Total CFR	58,109	57,805	63,388
1,291	2,930	Movement in CFR	8,257	(304)	5,583

- 4.4.2 In addition to the capital expenditure borrowing requirements, the CFR also includes other long-term financial liabilities relating to Constabulary Headquarters (under PFI). Whilst these increase the CFR and therefore the Commissioner's borrowing requirement, these types of schemes include a borrowing facility and so the Commissioner is not required to borrow separately for them.
- 4.4.3 From 2024/25 onwards the CFR includes liabilities for Right of Use Assets under IFRS16 which is the new accounting standard for leases which applied from April 2024.
- 4.4.4 The CFR is reduced every year by the minimum revenue provision (MRP). The Commissioner is required by statute, to set aside MRP each year for the repayment of external debt. Under amendment regulation 4(1) of the 2008 Regulations, the Commissioner is charged with a simple duty to set aside MRP which he considers to be prudent. Guidance has been issued which sets out recommendations on the interpretation of 'prudent' and the Commissioner is required to approve an annual statement on how he proposes to calculate MRP in advance of each year. The 2026/27 annual statement is set out in the Annex to this paper.
- 4.4.5 The MHCLG issued revised MRP guidance with effect from 1st April 2025 however there was no change to the Commissioner's current MRP practices as they were already compliant with the new guidance.
- 4.4.6 It should be noted that the CFR increases in 2026/27, reflecting the delivery of the new station at Crewe, it then reduces slightly in 2027/28 and then increases again in 2028/29 with the ESN project. The new borrowing requirement is partly offset by the annual MRP provision and the ongoing reduction in Other Long-Term Liabilities (Residual PFI liability).
- 4.5 **Liability Benchmark**
- 4.5.1 A new prudential indicator from 2023/24 is the Liability Benchmark (LB). The Commissioner is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum. However, CIPFA strongly recommends that the liability benchmark is produced for at least ten years and should ideally cover the full debt maturity profile of a public body. The chart below covers the Commissioners full debt maturity profile as recommended.

4.5.2 There are four components to the Liability Benchmark:

1. **Existing loan debt outstanding:** the Commissioner's existing loans that are still outstanding in future years.
2. **Loans Capital Financing Requirement (CFR):** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this shows the Commissioner's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.



4.5.3 The aim of the Liability Benchmark is to minimise/reduce refinancing, interest rate and credit risks by informing the timing and duration of new external borrowing. For this purpose, it has been assumed that a short-term liquidity allowance of £10m is required to be maintained throughout the period, to provide access to liquidity if needed due to unanticipated short-term cash flow variations.

4.5.4 The chart shows that the Commissioner's LB is currently rising to a peak in 2029 and 2030. The rise to 2027 relates to the additional borrowing requirement associated with delivery of the Estates Strategy, with the increase in 2030 linked to the additional borrowing requirement of £10m for ESN. This requirement then reduces as provision is made to repay outstanding borrowing via the annual MRP charge whilst no further capital expenditure financed by borrowing is currently planned beyond 2031.

- 4.5.5 In view of this, by around 2035, the LB will have reduced back down to the level of the existing loan portfolio, indicating that although there is a significant short to medium term requirement for new borrowing, this borrowing would ideally only cover a 10 year period, i.e. filling the white triangular period in the chart between 2025 and 2034 where the LB (red line) exceeds the current loan portfolio (black line/bar chart).
- 4.5.6 The chart also shows that that the existing loan debt portfolio will be fully repaid by 2078 and that the requirement to borrow (CFR) will also be reduced to nil by 2078, indicating that the Commissioner's current MRP policy remains prudent and appropriate.
- 4.5.7 The chart then indicates that without any further new approved borrowing beyond the period of the current Capital Strategy, the existing borrowing portfolio exceeds the LB after around 2034. If this remains the case, then it indicates either excess cash requiring investment or an opportunity to repay/restructure debt over this future period.

4.6 **Core Funds and Expected Investment Balances**

- 4.6.1 The application of funds, (capital receipts, reserves etc.), to finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on the cash available for investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are the estimated year-end balances for reserves. The Capital Receipts and Unapplied Capital Grants reserves are restricted in their usage to funding capital expenditure or repaying debt and cannot be used for revenue purposes.

Table 4: Reserves

	31 March 2025 Actual £000	31 March 2026 Estimate £000	31 March 2027 Estimate £000	31 March 2028 Estimate £000	31 March 2029 Estimate £000
General Reserves					
Police Fund	5,773	5,773	5,773	5,773	5,773
MTFS Reserve	3,081	2,965	2,965	2,965	2,965
	8,854	8,738	8,738	8,738	8,738
Revenue Earmarked Reserves					
Carry Forward Reserve	2,071	0	0	0	0
POCA Reserve	703	452	452	452	452
Hardship Loan Reserve	50	0	0	0	0
Pay and Pensions Reserve	301	200	715	715	715
Redundancy Reserve	0	0	0	0	0
Major Investigations Reserve	1,181	1,481	944	944	944
Council Tax Deficit Reserve	769	696	0	0	0
Estates Strategy Reserve	500	500	500	500	500
Road Safety Initiatives Reserve	348	248	123	0	0
Commissioning Reserve	527	277	177	77	77
IT Reserve	291	0	0	0	0
	6,741	3,854	2,911	2,688	2,688
Capital Earmarked Reserves					
Revenue Reserve for Capital Expenditure	1,578	0	0	0	0
Capital Receipts	112	0	0	0	0
Emergency Services Network Reserve	226	226	226	226	226
	1,916	226	226	226	226
Collaboration Reserves	2,068	1,248	1,248	1,248	1,248
Total Reserves	19,579	14,066	13,123	12,900	12,900

4.7 Affordability Prudential Indicators

- 4.7.1 So far, the Strategy has covered the control of overall capital expenditure plans and borrowing prudential indicators. The following indicator provides an indication of the impact of the above capital expenditure plans and their financing proposals on the overall finances and precept (council tax). The Commissioner is requested to approve the following indicator:

Table 5: Ratio of financing costs to net revenue funding.

2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate
1.13%	1.10%	1.51%	1.56%	1.75%	2.20%	2.37%

4.7.2 This indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream. The estimates of financing costs include current commitments and the proposals included in the budget/medium-term financial strategy. The ratio reduces slightly in 2025/26 due to loans repaid in 2024/25 not yet being replaced but then is steadily increasing due to the cessation of capital grant funding and the requirement to increase borrowing in order to finance the ongoing capital programme, in particular the Estates Strategy and the ESN Project. The affordability of this will continue to be reviewed alongside the MTFs.

5. BORROWING

5.1 The capital expenditure plans set out in Section 4 provide details of the service activity of the Commissioner. A key function of treasury management is to ensure that the cash resources are organised in accordance with the relevant regulations and professional codes so that sufficient cash is available to meet service activity and the capital strategy. This will involve both cash flow management and where capital expenditure plans require it, the arrangement of appropriate borrowing facilities. This Strategy covers the relevant treasury and prudential indicators, the current and projected debt positions and the Annual Investment Strategy.

5.2 Current Debt Position

5.2.1 The current debt position, as at 31 March 2025, with forward projections is summarised below. The table shows actual external debt against the underlying capital borrowing need highlighting any internal borrowing or over borrowing.

Table 6: Debt Position

2024/25 Actual £000	2025/26 Estimate £000		2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
29,274	26,889	External Debt as 1 April	31,889	45,889	47,889
(2,385)	5,000	Add/(less): net movement in year	14,000	2,000	7,000
26,889	31,889	Total External Debt	45,889	47,889	54,889
14,054	13,319	Other Long-term Liabilities 1 April	12,120	10,878	9,596
(736)	(1,199)	Add/(less): net movement in year	(1,242)	(1,283)	(1,553)
13,319	12,120	Total Long term Liabilities	10,878	9,596	8,042
40,208	44,009	Gross Debt Position at 31 March	56,767	57,485	62,931
46,922	49,852	Less: Capital Financing Req't	58,109	57,805	63,388
(6,714)	(5,843)	Internal Borrowing	(1,342)	(320)	(457)

5.2.2 Within the prudential indicators there are a number of key indicators to ensure that the Commissioner operates their activities within well-defined limits. One of these is that the Commissioner ensures that their gross debt does not, except in the short-term, exceed the total Capital Financing Requirement in the preceding year plus the estimates for any additional Capital Financing Requirement for 2026/27 and the following two financial years. This allows some flexibility for limited early borrowing for future plans when favourable conditions allow but ensures that borrowing is not undertaken for revenue or speculative purposes. The Chief Finance Officer (OPCC) confirms that the Commissioner complied with this prudential indicator in the current year and does not envisage any issues for the immediate future. This view takes into account current commitments, existing plans and the proposals included in the budget report and Medium-Term Financial Strategy for 2026-31 to be approved by Joint Management Board on 28 January 2026.

5.3 Treasury Indicators – limits to borrowing activities

5.3.1 There are two limits to borrowing, the operational boundary and the authorised limit for external debt. These are the current debt position as shown in 5.1.1 above plus the forecast requirement for external financing over the next three years.

5.3.2 **The operational boundary** is the limit which external debt and long-term liabilities is not normally expected to exceed. In most cases this would be a similar figure to the Capital Financing Requirement but may be higher or lower depending on the level of actual debt and repayment schedules. Temporary breach of the operational boundary is not in itself cause for concern but an indicator that such liabilities should be reviewed. If there was a sustained breach, (such as an increase in long-term borrowing), then this would need to be investigated and action taken.

5.3.3 The operational boundaries below are based on estimating the Commissioner’s most likely level of borrowing and leasing each year. It includes long-term borrowing to fund capital expenditure plans, short-term temporary borrowing for cash flow purposes and the impact of any finance leases.

Table 7: Operational Boundary

	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Debt	75,889	75,889	75,889
Other long-term liabilities	11,532	10,249	8,839
Total	87,421	86,138	84,728

5.3.4 As Table 7 shows, the Operational Boundary will peak in 2026/27 because new borrowing will be required over the period to deliver planned major Estates Strategy projects and also the ESN project. This is partly offset by the Other Long-Term Liabilities (mainly the Residual PFI Liability) which is reducing.

- 5.3.5 The **authorised limit for external debt** is a further key prudential indicator representing a control on the maximum level of borrowing. This represents a limit beyond which external debt and finance leases are prohibited and is set or revised by the Commissioner. It reflects the level of such debt, which, while not desired, could be afforded in the short term, but is not sustainable in the longer-term.
- 5.3.6 This is a statutory limit determined under section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authorities' plans or those of any specific public body; although this power has yet to be exercised.
- 5.3.7 The Commissioner is requested to approve the following authorised limits.

Table 8: Authorised Limit

	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Debt	78,889	78,889	78,889
Other long-term liabilities	11,532	10,249	8,839
Total	90,421	89,138	87,728

5.4 Prospects for Interest Rates

- 5.4.1 The Commissioner has appointed MUFG Corporate Markets as his treasury advisors and part of their service is to assist him to formulate a view on interest rates. The following table gives our central view.

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

Source: MUFG

- 5.4.2 During 2025/26 interest rates have reduced from the peak of 5.25% in 2023 to 3.75% in December 2025. The forecast is for the rate to fall to 3.50% by June 2026, then to 3.25% by December 2026 and remain at this level.
- 5.4.3 CPI inflation remained at 3.8% in September but dropped to 3.2% by November. Core inflation also fell to 3.2% by November while services inflation fell to 4.4%. Nonetheless, a further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.

- 5.4.4 Prior to the November Budget, the public finances position looked weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the OBR. For the year to date, the £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only by borrowing during the COVID-19 pandemic. The main drivers of the increased borrowing were higher debt interest costs, rising government running costs, and increased inflation-linked benefit payments, which outweighed the rise in tax and National Insurance contributions.
- 5.4.5 Following the 26 November Budget, the Office for Budget Responsibility (OBR) calculated the net tightening in fiscal policy as £11.7bn (0.3% of GDP) in 2029/30, smaller than the consensus forecast of £25bn. It did downgrade productivity growth by 0.3%, from 1.3% to 1.0%, but a lot of that influence was offset by upgrades to its near-term wage and inflation forecasts. Accordingly, the OBR judged the Chancellor was going to achieve her objectives with £4.2bn to spare. The Chancellor then chose to expand that headroom to £21.7bn, up from £9.9bn previously.
- 5.4.6 Moreover, the Chancellor also chose to raise spending by a net £11.3bn in 2029/30. To pay for that and the increase in her headroom, she raised taxes by £26.1bn in 2029/30. The biggest revenue-raisers were the freeze in income tax thresholds from 2028/29 (+£7.8bn) and the rise in NICs on salary-sacrifice pension contributions (+£4.8bn). The increase in council tax for properties worth more than £2.0m will generate £0.4bn.
- 5.4.7 The FTSE 100 fell sharply following the “Liberation Day” tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed September at 9,350. A weaker pound will also boost the index as it inflates overseas earnings. On 2nd January 2026 the FTSE 100 rose above 10,000 for the first time ever.

5.5 **Borrowing Strategy**

- 5.5.1 As shown in Table 6, the Commissioner is currently utilising internal borrowing and forecast to remain so for the period covered by this Strategy. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with external loan debt as cash supporting the Commissioner’s reserves, balances and cash flow has been used as a temporary measure. This Strategy is appropriate for the current economic scenario and prudent as medium and longer dated borrowing rates are expected to fall from their current levels over the next two years.
- 5.5.2 Reducing reserve balances are beginning to place significant pressure on cash balances at certain points in the year and, as a result, internal borrowing of around £1m in 2026/27 supported by short term external borrowing when needed is now a more prudent target going forward. The position will continue to be monitored closely throughout 2026/27 and reviewed again as part of the 2027/28 Treasury Management Strategy.

5.5.3 Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 treasury operations. The Commissioner's Chief Finance Officer will keep interest rates and the cash flow impact under continual review in order to adopt a pragmatic approach to changing circumstances, supported by advice from the external Treasury Management advisers.

5.5.4 A key aim of the borrowing strategy is to minimise the cost of the loan portfolio whilst ensuring that the obligation to repay the loans is spread out over a period of time. This reduces the impact of such loans on the revenue budget. The profile of the repayment of the debt portfolio is shown below at 5.7.3.

5.5.5 New borrowing is currently planned during the life of this strategy. As PWLB rates are expected to remain high PWLB borrowing will be taken for shorter periods of up to 5 years. The Commissioner will also engage their Treasury Advisors to understand if there are any opportunities to borrow from local authority counterparties. The offer will then be considered, and terms of loans agreed between the Chief Finance Officer and nominated officer from the lending organisation.

5.6 **Policy on borrowing in advance of need**

5.6.1 The Commissioner will not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated alongside the security of such funds.

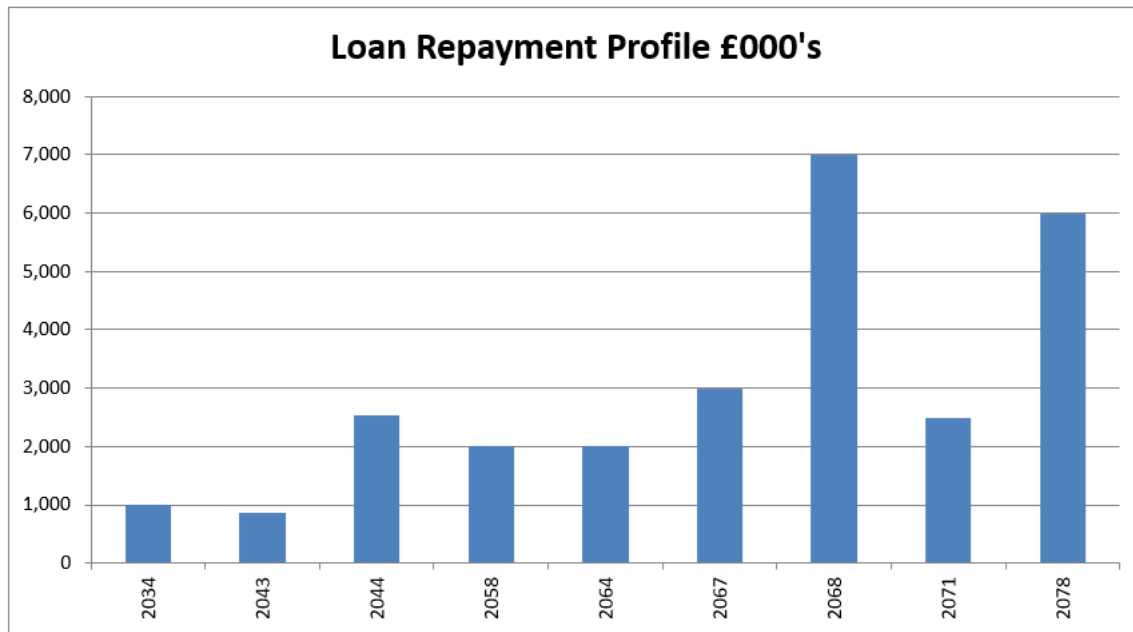
5.7 **Debt Rescheduling**

5.7.1 Rescheduling of current borrowing in the debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates.

5.7.2 The reasons for any rescheduling to take place will include:

- The generation of cash savings and/or discounted cash flow savings
- Helping to fulfil the treasury strategy
- Enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

5.7.3 Any potential rescheduling will be very carefully considered. The current profile of the debt portfolio is shown below:



5.7.4 The majority of the borrowing is on a fixed rate basis with the current overall weighted average of 3.16%. There is one loan held, (£6m), that is subject to semi-variable interest rates and has six monthly review periods when the bank can amend the rate or, the Commissioner can repay the loan if the new rate is deemed unacceptable. Any new loans taken out for future capital expenditure plans or the repayment of maturing debt will be subject to the rates applicable at that time. Any early repayment of debt would also be subject to either early pay-back premiums or discounts.

5.7.5 Key sensitivities of the interest rate forecast are likely to be:

- if it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years; and
- If it was felt that there was a significant risk of a sharp fall in short and long-term interest rates, then longer-term borrowing will be postponed until rates were deemed at their lowest and a review of current debt would be undertaken to ascertain the benefit of rescheduling to more competitive short-term loans.

5.8 Treasury Management limits on activity

5.8.1 There are three debt-related treasury activity limits. Their purpose is to restrain borrowing activity within certain limits to manage risk and reduce the impact of adverse movement in interest rates. However, if these are set too restrictively, they will impair the opportunity to reduce costs or maximise value for money. The Commissioner is requested to approve the following indicators and limits.

Table 9: Interest Rate Limits

	2026/27	2027/28	2028/29
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	25%	25%	25%

Table 10: Maturity structure of fixed interest rate borrowing 2026/27

	Lower	Upper
Under 12 months	0%	15%
12 months to 2 years	0%	15%
2 years to 5 years	0%	25%
5 years to 10 years	0%	25%
10 years and above	50%	100%

6. ANNUAL INVESTMENT STRATEGY

6.1 Investment Policy

6.1.1 The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments. The Commissioner does not hold any non-financial investments, essentially the purchase of income yielding assets, but if he did these would now be covered in the separate Capital Strategy.

6.1.2 The Commissioner’s investment policy has regard to the following:

- MHCLG’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

6.1.3 The Commissioner’s principal objectives for investments are security first, liquidity next and finally yield (return). The Commissioner will aim to achieve the optimum return (yield) on their investments commensurate with proper levels of security and liquidity and with regard to the Commissioner’s risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate, the Commissioner will also consider the value available in periods up to 12 months with high credit rated financial institutions.

6.1.4 The above guidance from the MHCLG and CIPFA places a high priority on risk management. This Commissioner has adopted a prudent approach to managing risk and defines their risk appetite by the following means:

- a) Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- b) Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Commissioner will engage with their advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
- c) Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- d) The Commissioner has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in table 11 below under the categories of ‘specified’ and ‘non-specified’ investments.
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

Table 11: Approved Investment Instruments

Specified Investments (maturities up to one year)
<ul style="list-style-type: none"> ▫ Bank & Building Societies Term Deposits ▫ Other Local Authority Term Deposits ▫ Debt Management Agency Deposit Facility ▫ AAA Money Market Funds (CNAV/LVNAV/VNAV)
Non-Specified Investments (maturities over one year)
<ul style="list-style-type: none"> ▫ Bank & Building Societies Term Deposits ▫ Other Local Authority Term Deposits
Other Non-Specified Investments
<ul style="list-style-type: none"> ▫ Fixed term deposits with variable rates & maturities

- e) Non-specified investments limit. The Commissioner has determined that he will limit the maximum total exposure to non-specified investments as being 20% of the total investment portfolio.
- f) Lending limits, the maximum amount for each counterparty will be set at £10m per organisation/group. The maximum investment duration for each counterparty will be set in line with the creditworthiness service provided by MUFG as set out in paragraph 6.2.

- g) The Commissioner will set a limit for the amount of investments which are invested for longer than 365 days, (see paragraph 6.4.5).
- h) Investments will only be placed with counterparties from countries with a specified minimum sovereign rating, (see paragraph 6.3).
- i) The Commissioner has engaged external consultants, (see paragraph 3.4), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
- j) All investments will be denominated in sterling.
- k) As a result of the change in accounting standards for 2023/24 under IFRS 9, the Commissioner will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31 March 2023). In 2023, a further extension to the over-ride to 31 March 2025 was agreed and there is now a further extension until March 2029.

6.1.5 The above criteria are unchanged from last year.

6.2 Creditworthiness Policy and Exposure to Risk

6.2.1 The Commissioner utilises the creditworthiness service provided by MUFG as their Treasury Management advisers. This service employs a sophisticated modelling approach incorporating credit ratings from the three main credit rating agencies – Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps to give early warning of likely changes in credit ratings; and
- Sovereign ratings to select counterparties from only the most creditworthy countries.

6.2.2 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system that is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Commissioner to determine the suggested duration of investments. The Commissioner will use counterparties within the following durational bands:

- Yellow 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No Colour Not to be used

6.2.3 The MUFGE creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings. Typically, the minimum credit ratings criteria the Commissioner use will be a short-term rating (Fitch or equivalent) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

6.2.4 All ratings and colour codes are monitored weekly via MUFGE credit listings and in-between via business press. The Commissioner is alerted to changes to any ratings via email from MUFGE.

- If a downgrade results in the counterparty / investment scheme no longer meeting the Commissioner's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of credit ratings the Commissioner will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by MUFGE. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

6.2.5 Sole reliance will not be placed on the use of this external service. In addition to MUFGE, the Commissioner's officers will also use market data and information, as well as information on any external support for banks to help support its decision-making process.

6.3 **Country Limits**

6.3.1 The Commissioner has determined that he will only use approved counterparties from the UK and from countries outside of the UK with a minimum sovereign credit rating of AAA from Fitch (or equivalent). The list will be added to, or deducted from, should ratings change. Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, the Commissioner will not set a minimum rating for the UK.

6.4 Investment Strategy

6.4.1 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are not currently obtainable by investing for longer periods as the Bank Rate has been falling from its peak in 2023 with further reductions expected in 2026.

6.4.2 The Commissioner would seek to maintain at all times a core liquid balance of £5m.

6.4.3 For cash flow generated balances, the Commissioner will seek to utilise their business reserve instant access and notice accounts, money market funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

6.4.4 Bank Rate - The current forecast shown in paragraph 5.4, includes a forecast for a succession of rate decreases from the current rate of 3.75%. Bank Rate forecasts for financial year ends (March) are:

2025/26 – 3.75%	2026/27 – 3.25%	2027/28 – 3.25%	2028/29 – 3.25%
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6.4.5 Investment treasury indicator and limit - total principal funds invested for greater than 365 days. This limit is set with regard to the Commissioner's liquidity requirements and to reduce the need for early sale of an investment. It is based on the forecast availability of funds after each year-end. The Commissioner is asked to approve the following treasury indicator and limit:

Table 12: Investment Treasury Limit:

	2024/25	2025/26	2026/27
	Upper	Upper	Upper
Principal sums invested for longer than 365 days	Nil	Nil	Nil

6.5 End of Year Investment Report

6.5.1 At the end of the financial year, a report on the Commissioner's investment activity as part of the Annual Treasury Report, will be presented to the Joint Management Board.

7. MINIMUM REVENUE PROVISION (MRP) STATEMENT

- 7.1 All local authorities have a legal requirement to set aside money to cover the repayment of debt. The amount of MRP charged needs to be a prudent amount. The broad aim of a prudent provision is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the associated capital expenditure provides benefits.
- 7.2 At the end of 2017/18, around 50% of the non PFI related Capital Financing Requirement related to the balance of historic supported debt liability. The Commissioner has determined that this historic element of the CFR will be charged MRP at the rate fixed as 2% of the balance at 31 March 2018. The Commissioner considers this approach to be more prudent as it will ensure that the CFR will be cleared over a finite 50-year period rather than the previous 4% per year reducing balance method which would technically never clear the debt. The remaining amount will, under delegated powers (known as prudential borrowing), be subject to MRP under option 3 of the Guidance, which will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method. For example, capital expenditure on a new building will be related to the estimated life of that building. These options provide for a reduction in the borrowing need over approximately the asset's life.
- 7.3 The use of this option for certain schemes/expenditures will also result in a nil MRP charge until the year after that in which all expenditures on the scheme, project or other item of capital expenditure have been fully accrued under proper accounting practices, regardless of the extent of such expenditure that has not been accrued at the end of the previous financial year. Assets will not be transferred to the asset register and non-current assets account until complete, in accordance with standard accounting principles.
- 7.4 Repayments included in annual Private Finance Initiative (PFI) or the new accounting standard IFRS16 for leases are applied as MRP.
- 7.5 Estimated life periods will be determined under delegated powers. To the extent that expenditures are not on the creation of an asset and are of a type that are subject to estimated life periods that are referred to in the Guidance, these periods will generally be adopted by the Commissioner.
- 7.6 In view of the variety of different types of capital expenditure incurred by the Commissioner, which is not in all cases capable of being related to an individual asset e.g., capitalising revenue items; asset lives will be assessed on the basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components having substantially different useful economic lives.

Note: This policy will be reviewed on an annual basis. If it is ever proposed to vary the terms of the original statement during any year, approval from the Commissioner will be required.

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**Cheshire
Constabulary**

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JOINT MANAGEMENT BOARD

DECISION NO. 2026/04

DATE: 28 JANUARY 2026

MEDIUM TERM FINANCIAL STRATEGY 2026 – 2031

Executive Summary:

The Commissioner is required to set an annual balanced budget and precept (the Commissioner's share of Council Tax) taking into account Government funding, precept regulations and organisational demands. This requirement is supported by the production of a Medium-Term Financial Strategy (MTFS) with the annual budget forming the first year of the Strategy. The creation and maintenance of the MTFS is fundamental in promoting good financial planning and delivery of value for money.

The MTFS is supported by the Reserves Strategy which highlights the reserves held, their usage in support of delivering the Commissioner's Police & Crime Plan and the Chief Constable's Plan on a Page, and the appropriateness of the amounts held.

The MTFS reflects the Final Grant Settlement published on 28 January 2026. It incorporates the Government's confirmation of precept flexibility for 2026/27, including the decision in January 2026 granting Cheshire exceptional flexibility to increase the Band D precept by £18.50 without a referendum, enabling the Commissioner to protect frontline policing and address the budget gap. Home Office have confirmed the precept in writing however, final council tax levels will be confirmed in MHCLG's council tax report in February.

These updates, alongside revised funding assumptions for future years, are reflected in the financial tables set out in Appendix 1.

Recommendation:

- 1) That the updated Medium Term Financial Strategy for 2026-2031 be approved.

I have reached the following decision:

To approve the recommendation.

My rationale for this decision is:

The Medium-Term Financial Strategy 2026-2031 is fundamental in promoting good financial planning, the delivery of value for money, ensuring operational threats and risks are addressed and managed to protect front line policing and make Cheshire's communities even safer.

Signature

Date 28 January 2026



Police & Crime Commissioner

PART 1 – NON-CONFIDENTIAL FACTS AND ADVICE

INTRODUCTION AND BACKGROUND

1. The Medium-Term Financial Strategy (MTFS) for 2026-2031 sets out the current financial scenario based on a series of assumptions including funding levels from Government grants and precepts; inflation and known commitments. It is based on the Home Office's Provisional Grant Settlement announced on 18 December 2025. The assumptions included within the MTFS have been updated in response to the settlement, grant announcements and other known amendments.
2. The revised MTFS is attached at Appendix 1.

LEGAL COMMENTS

3. There are no legal implications directly arising from this report.

EQUALITY COMMENTS


4. There are no equality issues identified.

BACKGROUND DOCUMENTS

Document Titles
The 2026/27 Provisional Grant Settlement

<p>Public access to information <i>Information in this form is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.</i></p>
Is there a Part 2 form - No
Contact Officer: Bill Malloy, Chief Finance Officer Tel. No.: 07879 470810 Email: william.malloy@cheshire.police.uk

CHIEF OFFICER DECLARATION (Constabulary Chief Finance Officer): <i>I have reviewed the proposal and I am satisfied it is correct, all relevant internal checks have been undertaken and it is an appropriate request to be submitted to the Police & Crime Commissioner.</i>	
Signature <i>Bill Malloy</i>	Date: 28 January 2026

CHIEF FINANCE OFFICER DECLARATION (Clare Hodgson): <i>I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the presentation of this report. I am satisfied that this is an appropriate request to be submitted to the Police & Crime Commissioner.</i>	
Signature 	Date: 28 January 2026

Medium-Term Financial Strategy 2026-2031

January 2026



Cheshire
Police & Crime
Commissioner



Cheshire
Constabulary

Contents

FOREWORD	3
1 INTRODUCTION	4
2 DEMAND AND PERFORMANCE	7
3 THE MEDIUM-TERM FINANCIAL STRATEGY	7
4 FINANCIAL SCENARIO	8
5 FINANCIAL ASSUMPTIONS	10
6 FINANCIAL CHALLENGES AND OPPORTUNITIES	11
7 FINANCIAL FORECASTS 2026 TO 2031	11
8 SENSITIVITY ANALYSIS	13
9 CONTEXT	13
10 PLANS TO ADDRESS THE FINANCIAL FORECASTS	14
11 RESERVES	15
12 HORIZON SCANNING	16
13 INDICATIVE CAPITAL PROGRAMME	17
14 RISK ASSESSMENT	19
15 CONCLUSION AND NEXT STEPS	20

Foreword

This is the Medium-Term Financial Strategy (MTFS) and covers a period of five years. It will be reviewed every six months to reflect the dynamic nature of both policing and changes in funding. It describes the financial direction of the organisation and outlines financial pressures. Without the confidence of knowing what we can afford it is impossible to make balanced judgements about where we need to invest and where we can make efficiencies. We have had to manage the challenging and changing financial situation facing all public services whilst ensuring we meet local policing needs, and the priorities set out in the Commissioner's Police and Crime Plan.

Over the period of this MTFS, we will continue to innovate and engage widely with the public of Cheshire to deliver on key local and national priorities and work with a broad range of partners to address the root causes of crime and anti-social behaviour to create a safer, more cohesive community through prevention and intervention.

The MTFS is intrinsically linked to the Force Management Statement (FMS) which is a self-assessment of current and future demand, performance and how we will adapt to meet such demand. It also includes details of the funding the Constabulary expects to have to fulfil this.

On 28 January 2025, the Minister of State for Policing and Crime published the Final Police Funding Settlement, confirming total annual funding for territorial police forces in 2026/27. In parallel, on 26 January 2026, the Government published the *Police Reform White Paper, From Local to National: A New Model for Policing*, setting out major structural reforms including the creation of a National Police Service and a renewed emphasis on neighbourhood policing. In the absence of financial certainty beyond 2026/27, this MTFS continues to apply flat real-terms funding assumptions for later years. This uncertainty reinforces the importance of maintaining a strong focus on financial sustainability, affordability, and risk management across the medium term.



Chief Constable
Mark Roberts QPM



Police and Crime Commissioner
Dan Price

MEDIUM TERM FINANCIAL STRATEGY **2026 TO 2031**

1 INTRODUCTION

1.1. The purpose of the Medium-Term Financial Strategy (MTFS) is to provide the Police and Crime Commissioner, Chief Constable, officers, staff, the public and other stakeholders with information on the financial outlook and the estimated available financing over the next five years. The strategy takes into account future high-level potential revenue and capital expenditure over the period based upon current information.

1.2. The Commissioner's Police and Crime Plan contains a wide range of innovative initiatives to deliver the following three key pillars;

- Listen to the Public
- Modernise
- Reduce Crime

Listen to the Public

1.3 During the last 12 months, the Commissioner has actioned the plans he set out to engage widely with the public through the hosting of citizens' assemblies in each of the nine Local Policing Units (LPUs) across the Constabulary area. Citizens' Assemblies have now been completed in Crewe and Nantwich, Runcorn, Widnes and Macclesfield. Five more are planned before 2028. Citizens' assemblies enable the Commissioner and his team to hear the voices of a representative section of local people and enable local policing teams to be better informed.

1.4 The Commissioner's Plan includes a wide range of support for victims of crime, by commissioning tailored services to best meet their needs. By regularly reviewing police performance and holding the Chief Constable to account, the Commissioner will ensure that the police are using all the tools available to them. He will retain a sharp focus on the Constabulary handling victims with care, respect and sensitivity.

Modernise

1.5 The Commissioner is keen to drive efficiencies and explore how artificial intelligence and data analytics can help drive forward many of the priorities contained within his Plan. Innovative technology will be embraced to ensure that the service is well equipped to deal with current and emerging threats and ensuring the police are present when and where they are needed most. This relates to operational technology such as emerging drone technology and facial recognition technology, as well as automation in office-based systems where this can improve efficiency. This will be supported by an employment culture which is open to new ideas and new ways of working. Wherever possible, the Commissioner will look to secure additional funding and work with key stakeholders to build on the successes already achieved.

1.6 This budget also makes provision for funding to ensure that the Constabulary estate is modernised and, despite the challenging financial context and the age and size of the estate, invest in existing properties in a sustainable and economic way to enable them to remain effective policing bases best placed to serve our communities. The

development of new, state of the art and environmentally sustainable operational bases in Wilmslow, which recently opened, and Crewe is ongoing.

Reduce Crime

- 1.7 Through his citizens' assemblies, the Commissioner is clear how important neighbourhood policing, and a visible police presence is to all our communities and will support and review the development of the neighbourhood policing model where all communities will have a named contact. Through his scrutiny process, the Plan also sets out how response and call handling times will be monitored. The budget will support the continued use of tools such as Dytask which will ensure that hotspot areas are properly policed, and that communities and businesses can be best supported at times when they may need additional resources to address such issues as ASB.
- 1.8 The Commissioner's Plan also includes a keen focus on violence against women and girls and driving up the reporting of domestic abuse incidents, to ensure the service provided to victims is the best it can be, and that those most at risk of harm are protected. For example, 2025 saw a pilot launch of a multi-agency approach to engage both perpetrators and those impacted by domestic violence in prevention programmes with the aim to cut the generational cycle of domestic abuse.
- 1.9 The MTFs supports the Plan's focus on the prevention agenda and efforts to steer people away from criminal activity, looking to commission educational programmes where appropriate to tackle the scourge of knife crime and other serious violence, but also working with perpetrators and ex-offenders to rehabilitate them into our communities and deter them from further criminality. The Commissioner's 'Fresh start' programme working with the Department for Work and Pensions (DWP) and Probation partners has now seen 15 offers of employment since its launch in September 2025. This budget also sets out the contributions that will be made to regional policing operations which focus on serious and organised crime and counter terrorism, for which the Commissioner and his regional counterparts will provide oversight and scrutiny.
- 1.10 The Plan sets out the work which will be undertaken with local community groups, utilising money seized through the Proceeds of Crime Act to develop projects which support local communities to tackle crime and anti-social behaviour. 192 local community organisations have benefited from small pots of funding so far and there is a further pledge of funding to support Phone Free Education in Cheshire to reduce online safeguarding incidents in mainstream state high schools and prevent more young people entering the criminal justice system.
- 1.11 The Commissioner's Police & Crime Plan is the key document in local policing which has helped develop this MTFs and set out policing priorities for the forthcoming years.
- 1.12 The Force Management Statement is a self-assessment that Chief Constables prepare and give to His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) each year. It is the Chief Constable's statement and explanation of:

- the demand the force expects to face in the next four years;
- how the Constabulary will change and improve its workforce and other assets to cope with that demand;
- how the Constabulary will improve its efficiency to make sure the gap between future demand and future capability is as small as it can reasonably be; and
- the money the Constabulary expects to have to do all this.

1.13 As such the Force Management Statement and MTFs are integral to each other. One to provide details on the demand and shape of the Constabulary going forward and the other to reflect the monetary impact.

1.14 In addition, there is the Strategic Policing Requirement (SPR). This was first issued in July 2012 under Section 77 of the Police Reform and Social Responsibility Act 2011. The Home Secretary has produced this setting out how Commissioners and Chief Constables contribute to national policing issues. There is a statutory requirement for all forces to deliver the SPR alongside problem solving local issues. It was last updated in February 2023 to introduce Child Sexual Abuse (CSA) as an additional national threat. The latest SPR currently covers the following issues:

- Violence Against Women and Girls
- Terrorism
- Serious and organised crime
- National Cyber Event
- Child sexual abuse
- Public disorder
- Civil emergencies

1.15 As part of the overall budget process, the Chief Constable must satisfy himself and the Commissioner that the requirements of the SPR are achievable within the financial scenarios.

1.16 In the Chief Constable's plan on a page, he sets out his vision and priorities for the Constabulary as follows:



2 DEMAND AND PERFORMANCE

- 2.3 While strategic priorities provide direction, this MTFS must also reflect the scale and complexity of demand facing the Constabulary and the performance required to meet that demand.
- 2.4 Nationally, Government policy continues to emphasise visible neighbourhood policing, improved performance oversight, and greater productivity. The Home Office has confirmed the development of a Police Performance Framework and the intention to publish a Police Reform White Paper, expected to set out longer-term reforms to modernise policing through technology, innovation, and structural change.
- 2.5 These national expectations are likely to increase performance monitoring, data requirements, and service standards. The Constabulary will continue to monitor and respond to these developments, ensuring that local delivery remains aligned to national priorities.
- 2.6 At a local level, demand for policing services remains high, with increasing complexity across areas such as vulnerability, safeguarding, serious violence, digital crime, and mental health-related incidents. The FMS sets out how the Constabulary will adapt its workforce, skills, and assets to meet this demand within the financial constraints set out in this MTFS.

3 THE MEDIUM-TERM FINANCIAL STRATEGY

- 3.3 With the above plans, statements and objectives in mind, the purpose of this strategy is to provide a basis for determining:
- The level of funding available in the future to deliver national and local priorities;
 - The future demands upon the revenue budget;
 - The impact of external factors;

- The financial implications of collaborations;
- The amount of capital investment which is required to achieve corporate objectives;
- The revenue consequences of such capital investment;
- The future reserve levels;
- The impact of additional demands on the level of council tax; and
- The main financial risks facing the organisation.

3.4 The above determines the level of funding and demands on finances over the MTFS period enabling strategic financial planning processes to address the challenges and outcomes.

3.5 The following set out the key principles for that planning process:

- Ensure that plans contribute to improved outcomes in support of set priorities;
- Set a comprehensive, timely, balanced, and realistic budget;
- Take into account pay and price inflation and achievability of savings;
- Complies with the approved treasury management strategy;
- Complies with the approved reserves strategy;
- Raise awareness of and communicate key financial messages both internally and externally;
- Ensure budgets set are affordable and do not jeopardise financial stability either in the short or long term;
- All spending plans will need to demonstrate that they can achieve value for money;
- Spending will be agreed only when the necessary funding is identified and approved;
- External funding will be sought wherever it can be used in a sustainable manner that does not lead to unforeseen costs; and
- Budget proposals will be publicised and consulted upon with stakeholders in an open and transparent manner.

4 FINANCIAL SCENARIO

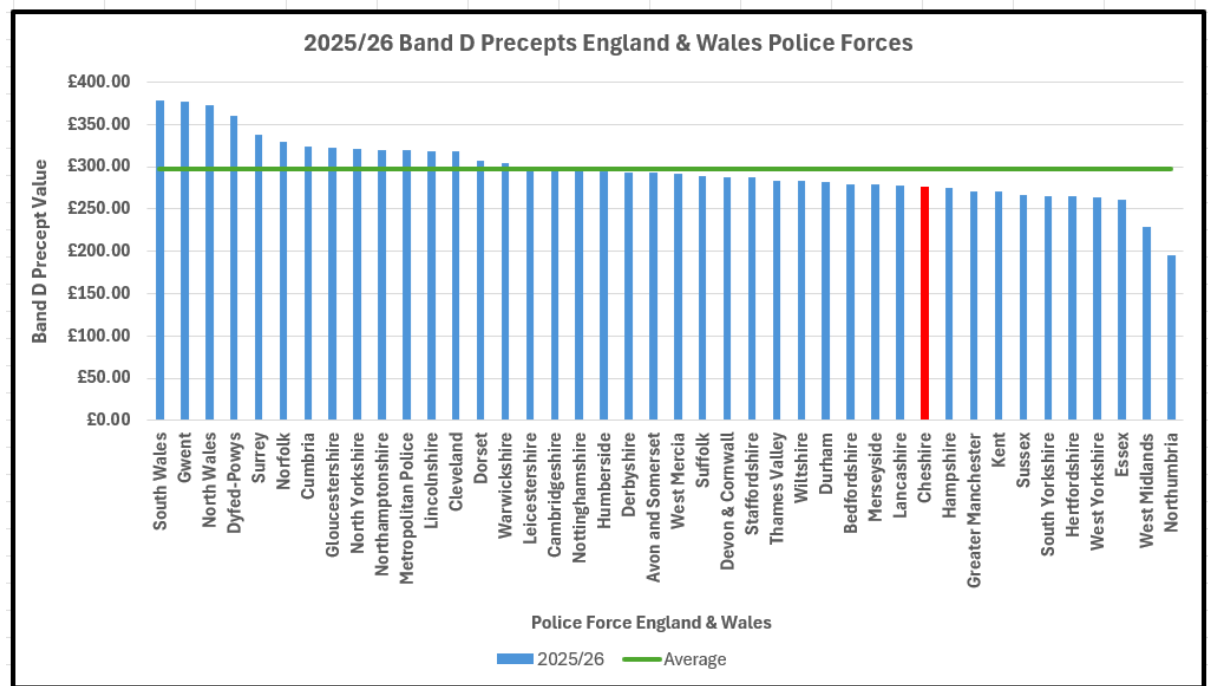
4.3 It is imperative that the MTFS takes account of the regional, national, and global economic climates and the short to medium term impact of the inflationary pressures both in service delivery and financial outlook. It is also noted that this mid-year review of the MTFS comes after both local and national elections resulting in a new Police and Crime Commissioner and Central Government.

4.4 The Commissioner receives his main funding from two sources – Government grants and local council tax (known as a precept). Government grants account for around 56% with local council tax funding covering the remaining 44%. The following paragraphs sets out the current financial scenarios for both.

4.5 Government funding is the aggregate amount of grants for police purposes comprising of the Home Office Police Core Grant, the Department for Levelling Up, Housing & Communities (DLUHC) Formula Funding Grant, and Legacy Council Tax Grants.

- 4.6 A precept is levied on the Council Tax for the policing in Cheshire and it is the responsibility of the Commissioner to set the level of precept as part of the annual budget setting process. To calculate the level of funding, each local authority calculates the taxbase (the assimilated number of council tax bills issued) taking into account changes in the number of houses, council tax benefits, discounts etc. These vary each year and the MTFS includes assumptions for these changes based on discussions and forecasts supplied by the local authorities.
- 4.7 Each December, the Government sets out the council tax referendum principles. These principles set the maximum increase permitted on a Band D property for the following financial year, before a local referendum is required. However, it is for the Commissioner to decide the level of precept annually. To aid understanding of the context in which the precept is set, the actual level of council tax levied by each Police & Crime Commissioner for 2025/26 is shown below (Band D equivalent).

Chart 1: Comparison of Police Force 2025/26 Precept Levels



- 4.8 Each year Council Tax income is calculated based on assumed levels of collection rates by the local authorities. This means that, at the end of each year, an adjustment has to be made to reflect the actual collection rates. This can lead to a one-off surplus or deficit on the fund which is accounted for within the calculation of the following year's net budget requirement, but the actual amounts are not declared until mid-January each year.

5 FINANCIAL ASSUMPTIONS

5.3 The level of expenditure incurred increases each year based on several factors such as pay awards, inflation, changing priorities and additional demands or burdens. The following lists the financial assumptions that are included within the current MTFS:

- Pay inflation – while the actual pay award is subject to annual negotiation, for September 2025 the confirmed offer of 4.2% has been included, with future years including a forecast 3% pay award in 2026/27 and 2.5% thereafter per advice from the NPCC. Cheshire is a Living Wage Foundation employer and will support the proposed increases accordingly.
- Pensions - Every three years the Local Government Pension Scheme (LGPS) is valued, and the following three year's employers' contribution rates are set accordingly. The last valuation was in 2025 and the next is due in 2028 and estimates of the impact of that valuation have been included.
- Police Pension Scheme - Changes in the employer contribution rates were due to be implemented from April 2023 for most unfunded public service pension schemes, including police officers. Due to various complex reasons, these were delayed until April 2024. Specific grant funding was awarded in 2024/25 and again in 2025/26 to support this additional cost. However, this has not been transferred as yet into the base funding and therefore has no certainty for future years. The assumption within this MTFS is for this funding to continue as a specific grant but for 2026/27 this is not yet confirmed from Government.
- Price inflation – Based on the Office of National Statistics inflation data, non-pay expenditure is increased annually in line with inflationary targets. The exceptions to this are those items that have specific annual increases in accordance with their contractual arrangements or known rates, and these are reflected within the MTFS.
- Borrowing – Additional borrowing is required to meet the planned capital programme, although the exact timing will depend on spend and interest rate movement. Interest payable is based on forecast interest rates. Additionally, funding (known as the Minimum Revenue Provision or MRP) must be set aside to repay debt over time and as new borrowing is undertaken this amount will increase. Estimated MRP amounts have also been built into the figures in this MTFS.
- Funding – The Government's Spending Review in June 2025 set out national funding intentions for policing; however, the subsequent Provisional Police Grant Settlement did not fully reflect the level of funding anticipated from that review. The resulting settlement for Cheshire Constabulary was lower than expected, increasing financial uncertainty and limiting the organisation's ability to absorb rising cost pressures. This MTFS therefore adopts cautious funding assumptions beyond 2026/27 at flat-cash until further information on future years funding is provided.
- Precept – In January 2026 the Home Office confirmed that Cheshire would be authorised to increase the precept by £18.50 in 2026/27 without a referendum. This uplift has been fully incorporated into the MTFS tables within this document, where its impact on income forecasts and the overall financial position for 2026/27 and future years is shown. Whilst the Home Office have confirmed the precept in writing,

final council tax levels will be confirmed in MHCLG's council tax report in February 2026.

6 FINANCIAL CHALLENGES AND OPPORTUNITIES

- 6.3 While headline inflation such as CPI has fallen from the high levels experienced over the last few years and is predicted to return to the 3% target level within the MTFS period, there are still some areas where inflation remains stubbornly high. For example, the cost of insurance continues to show yearly increases in double figures. Similarly, higher pay awards contribute to financial pressures, with Government funding going some way to mitigate the impact.
- 6.4 Opportunities to improve the impact of the financial forecasts come in the form of improved efficiencies, increased productivity, and modernisation.

7 FINANCIAL FORECASTS 2026 to 2031

- 7.3 It is important to note that the MTFS is a high-level strategy document that summarises plans over the medium term as they stand based upon current projections and assumptions. As additional updated information becomes available these plans will be subject to change and updated accordingly. A certain amount of detailed budget information is presented, and this should be regarded as indicative and illustrative only. Any budget shortfall is assumed to be cleared for the following year's budget. This document will inform the Commissioner's budget setting process, as will other tools such as consultation with residents.
- 7.4 Based on current information, priorities and assumptions, the following table sets out indicative budgets for 2026 to 2031 recognising the volatility and uncertainty of funding and the flexibility or not afforded to Commissioners to uplift the council tax.

Table 1 - MTFS Revenue Budgets

	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
Base budget (Gross)	307,654	323,470	329,352	336,498	343,775
Inflation	13,131	8,686	9,477	9,832	10,139
Commitments & Unavoidable Demand	9,430	5,578	1,508	1,297	898
Savings identified	-6,745	-126	0	0	0
Gross Expenditure	323,470	337,609	340,336	347,627	354,812
Income and specific grants	-30,377	-29,768	-29,808	-29,850	-29,893
	293,093	307,841	310,528	317,777	324,919
Transfer to/(from) reserves	-181	0	0	0	0
Net Budget to be funded	292,912	307,841	310,528	317,777	324,919
Government grant	-163,741	-163,741	-163,741	-163,741	-163,741
Legacy Council Tax Grant	-8,256	-8,256	-8,256	-8,256	-8,256
Council tax - Precept	-120,608	-127,587	-134,693	-141,928	-149,295
Council tax - Collection Fund	-307	0	0	0	0
Total Funding	-292,912	-299,584	-306,690	-313,925	-321,292
Budget Gap	0	8,257	3,838	3,852	3,627
Total Cumulative Budget Gap 2026-2031					19,574

* Savings & Funding Measures includes a combination of savings proposals and funding/accounting measures, including a reduction in revenue contributions to capital (-£1,746k) and the capitalisation of eligible costs (-£50k), to support a balanced budget position.

- 7.5 Each year there are commitments and unavoidable demands that require funding. These are in addition to inflation and form part of the standstill budget proposal. For example, the financial impact of borrowing – interest and repayment.
- 7.6 Please note that all the budget gaps or surpluses are prior to any additional growth or demands not currently identified and therefore these will increase when amounts are known and the MTFS updated accordingly. It is assumed that any significant growth will be matched by appropriate savings each year. With the current financial uncertainties, future years are speculative and subject to considerable change.
- 7.7 All budgets are subject to rigorous review. In addition to the standard priority-based budgeting process, a thematic review of all budgets including underlying processes and contractual specifications will take place to ensure they remain fit for purpose and current, providing value for money whilst maintaining service performance and delivery within available funding.

8 SENSITIVITY ANALYSIS

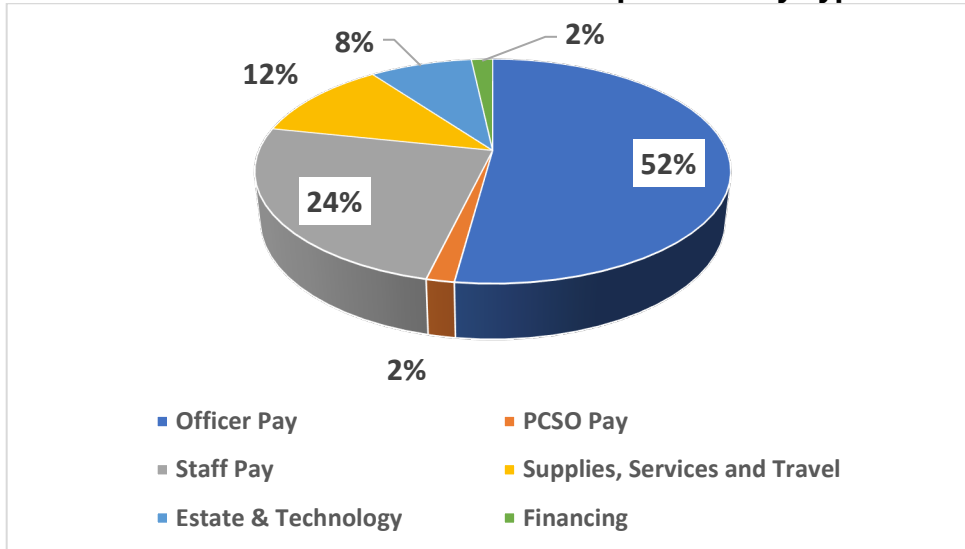
8.3 As with any assumptions, there are risks that the actual outcome will be different. There are three key assumptions included within this MTFS that could impact significantly upon the figures presented in table 1 above. These are the level of Government funding, the amount of council tax payable towards local police funding and the level of pay awards agreed nationally. As such, the following details the financial impact of changes to the levels assumed in these tables. It is also important to note that these changes would be cumulative as they represent a change to base level funding.

- For each change of 0.5% in the level of government funding, the impact would be either a reduction or increase in the budget gap of around £0.8m.
- For every 0.5% increase or decrease in council tax would have a potential impact of £0.6m per annum.
- Within the MTFS, it is assumed that the council taxbase will marginally increase each year in line with local authorities' forecasts. A 0.5% overall increase in the taxbase results in £0.6m of additional funding.
- A 0.5% movement in the pay award would have a potential £1.2m impact on the budget gap.
- In January 2026 the Home Office confirmed that we could increase our Band D Precept in 2026-27 by £18.50. This has resulted in a £1.4m increase in our expected precept income next year.

8.4 To put the above figures into context, a change in funding or additional costs of £0.6m per annum would equate to around ten police constables per annum based upon average salary costs.

9 CONTEXT

9.1 As part of the ongoing review of expenditure and the search for further efficiencies and savings, it is important to understand how the Commissioner and Constabulary currently spend their funding. The following chart shows that 78% is spent on pay with the remaining funding spread over premises, transport etc.

Chart 2: Cheshire Police and PCC 2025/26 Expenditure by Type

10 PLANS TO ADDRESS THE FINANCIAL FORECASTS

10.1 Priority based budgeting (PBB) is a method of planning for and assigning effort and money to best achieve the Commissioner's priorities for policing Cheshire and tackle the key areas of threat and demand as identified within the Force Management Statement. During PBB managers and staff consider the relative benefits of future expenditure to ensure money and effort are directed to achieve the required outcomes. To ensure efficiencies are driven out of the PBB process, HMICFRS's Value for Money Profiles are used to challenge and benchmark individual service areas and ensure best value is achieved, together with operational demand and performance data.

10.2 PBB during 2025/26 had budget managers submitting their proposals both in terms of efficiencies, unavoidable demands, and growth together with service level impacts of reduced funding. The Government has confirmed that the restrictions over the maintenance of officer numbers will remain in place. A full thematic review has been carried out on non-pay expenditure and while there are efficiencies the amounts involved are now limited.

10.3 Using the priorities of the Commissioner, the Force Management Statement; the Chief Constable's Plan on a Page; and the SPR, (alongside the Police and Crime Plan and the Commissioner's hosting of Citizens Assemblies) the outcome of the PBB process will allow resources to be allocated accordingly and within the legal requirement to balance the budget. In addition, there is a robust vacancy management process led by the Deputy Chief Constable and HR, which is now fully embedded within the Constabulary. This process reviews all vacancies as they arise to understand the options available which, ultimately, may include the removal of the vacant post. This will continue throughout 2026/27.

10.4 While the plans and actions stated above will provide a budget solution, it must be recognised that the delivery of efficiencies and savings have been part of budget planning from the beginning, but with austerity followed by the coronavirus pandemic,

it has brought challenges and opportunities, which were previously inconceivable. However, this has meant that any initial opportunities have already been delivered and any future efficiencies and savings harder to achieve.

11 RESERVES

11.1 Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when preparing budgets. In establishing reserves, the Commissioner must comply with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The Chief Finance Officer (OPCC) is required as part of the budget setting process to provide a statement on the adequacy of reserves.

11.2 In addition, the Home Office Financial Management Code of Practice requires the Commissioner to publish a Reserves Strategy on an annual basis. This Strategy provides an explanation for each reserve held along with details on the current and forecast values. The Reserve Strategy is published on the Commissioner's website as follows: [Strategies \(cheshire-pcc.gov.uk\)](https://www.cheshire-pcc.gov.uk/strategies)

11.3 The following table shows the level of reserves forecast over the MTFS period.

	31 March 2026 £'000	31 March 2027 £'000	31 March 2028 £'000	31 March 2029 £'000	31 March 2030 £'000	31 March 2031 £'000
<u>General Reserves</u>						
Police Fund	5,773	5,773	5,773	5,773	5,773	5,773
MTFS Reserve	2,965	2,965	2,965	2,965	2,965	2,965
	8,738	8,738	8,738	8,738	8,738	8,738
<u>Revenue Earmarked Reserves</u>						
POCA Reserve	452	452	452	452	452	452
Pay and Pensions Reserve	200	715	715	715	715	715
Major Investigations Reserve	1,481	944	944	944	944	944
Council Tax Deficit Reserve	696	0	0	0	0	0
Estates Strategy Reserve	500	500	500	500	500	500
Road Safety Initiatives Reserve	248	123	0	0	0	0
Commissioning Reserve	277	177	77	77	77	77
	3,854	2,911	2,688	2,688	2,688	2,688
<u>Capital Earmarked Reserves</u>						
Revenue Reserve for Capital Expenditure	0	0	0	0	1,456	1,864
Emergency Services Network Reserve	226	226	226	226	226	226
	226	226	226	226	1,682	2,090
<u>Collaboration Reserves (See 11.7)</u>	1,248	1,248	1,248	1,248	1,248	1,248
Total Reserves	14,066	13,123	12,900	12,900	14,356	14,764

- 11.4 The Strategy addresses specific (earmarked) and general reserves both for capital and revenue expenditure and considers the principles that should be applied to their usage. The Strategy requires the transfer of monies between reserves in future periods in order that those identified risks and issues are adequately provided for.
- 11.5 A key principle should be the avoidance or minimisation of extreme changes to available funding arising from one-off costs. Therefore, whilst the strategy should not be subject to frequent change the specific reserves should be dynamic and responsive to changing circumstances. The dynamic use of reserves can be an effective tool in medium term financial planning, if maintained at reasonable levels reflective of the scale of risk.
- 11.6 Use of reserves in supporting the revenue budget can also be an effective tool in allowing change to be implemented in a measured way to achieve future savings. However, it is important to recognise that without future savings, using reserves in this way only delays addressing budget shortfalls rather than providing solutions.
- 11.7 Cheshire Constabulary acts as lead force for several collaborations and where appropriate, holds reserves on behalf of all partners. Details can be found in the Reserves Strategy and Statement of Accounts.

12 HORIZON SCANNING

- 12.1 Although this current MTFS covers the period 2026 to 2031, there are a number of financial challenges that need to be considered within the context of this timeframe. The principal three are the Private Finance Initiative (PFI) contract for Headquarters, the delivery of the Estates Strategy and the Government's review of the formula funding.
- 12.2 The PFI contract ends in 2033 when the Headquarters building, and services are handed over to the Commissioner for a nominal fee. There are considerable estates, procurement, legal and financial work required in preparation for this and a PFI Board has been created to facilitate this change. PFI contracts when originally created were accompanied by specific Government grant and this will also conclude at the end of the contract. Provision will need to be made within the MTFS as it moves forward to recognise this and the change to associated costs.
- 12.3 As part of the funding proposals for the Estates Strategy, borrowing is required. The financial impact of this needs to be covered within the Capital, Medium Term Financial and Treasury Management Strategies going forward to ensure borrowing is taken at the optimum point and the consequential costs of interest and repayment built into the revenue budget.
- 12.4 Government funding is allocated to individual forces based on a formula which includes data such crime, population, and road networks. However, this formula has been in place for many years and has not been updated. Previous Governments have proposed that the formula is reviewed. Whether this is beneficial or adverse to the Constabulary is entirely down to how any new formula is created and implemented.

12.5 In November 2025, the UK Government announced that the role of Police and Crime Commissioners (PCCs) in England and Wales will be abolished at the end of the current electoral cycle in May 2028, with new governance arrangements to be introduced thereafter. PCC functions and accountability are expected to transfer to directly elected mayors in areas with combined authorities and to alternative local governance models elsewhere. For the purposes of this MTFS, financial planning and strategic assumptions have been developed based on the current PCC governance framework through 2028. However, the anticipated transition to new arrangements may have implications for strategic priorities, oversight structures and commissioning decisions in the later years of this strategy period. The Constabulary will continue to monitor developments and ensure that future updates to the MTFS reflect any changes in governance or accountability requirements.

12.6 On 26 January 2026, the Government published the Police Reform White Paper, *From Local to National: A New Model for Policing*. This sets out major plans to modernise policing across England and Wales. A central part of the proposals is the creation of a new National Police Service, which will bring together specialist areas such as serious and organised crime, counter-terrorism and digital forensics. This is intended to reduce duplication, improve coordination between forces, and ensure all areas of the country can access the latest technology and specialist expertise. The White Paper also places a strong focus on neighbourhood policing, with commitments to increase the visibility of local officers, reduce unnecessary paperwork, and strengthen the connection between communities and their local police teams. The Government is also proposing changes to the way policing is organised and overseen nationally, aiming to make the system simpler, more consistent and better able to respond to modern crime, particularly the rapid rise in digitally-enabled offending. While our Medium-Term Financial Strategy is based on the current arrangements, these reforms may affect how policing is organised and funded in the future. The Constabulary and the Office of the Police and Crime Commissioner will continue to follow developments closely and will update future plans as more detail becomes available.

13 INDICATIVE CAPITAL PROGRAMME

13.1 In addition to the revenue budget, there is a proposed capital investment programme to maintain essential buildings, equipment, IT and vehicles together with new investment in priority areas. The funding of this programme comes from several sources including revenue funding set aside for capital purposes, use of reserves and other contributions. However, if this is not sufficient to fund the programme, any shortfall can be met by borrowing – although there is an annual cost to this in terms of interest and Minimum Revenue Provision (MRP) - setting aside funds to repay the loan.

13.2 As with the revenue budget, assumptions are required over the level of funding available for capital investment. General capital grant funding is no longer provided, and this is expected to be the case throughout the MTFS period. Therefore, funding will come from revenue contributions, capital receipts, reserves and borrowing. These have an impact on the revenue budget and are reflected in the figures shown in Table 1.

13.3 In line with the Capital Strategy, supported by specific strategies such as Estates and IT, the following table shows the proposed capital investment programme together with the associated funding. Final approval for each year's capital programme remains with the Commissioner as part of his budget setting process each January.

Table 3: Capital Strategy	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
Annual Replacement Schemes:					
Fleet Vehicles	4,000	3,578	4,060	1,647	3,493
IT and Communications	1,470	2,182	1,570	1,545	1,445
New Schemes:					
Estates - Maintenance & Environmental	882	825	600	500	400
Estates Strategy 2021-2031	12,062	935	0	0	0
IT and Communications	1,513	2,100	9,021	4,319	977
Operational Equipment	179	303	305	150	150
Collaboration/Funded Vehicles	419	1,295	33	81	725
Capital Expenditure	20,525	11,218	15,589	8,242	7,190
Financed by:					
Capital Receipts	5,500	1,670	0	0	0
Revenue Contributions to Capital	2,502	4,748	5,248	4,292	5,840
Revenue and Capital Reserves	178	450	0	0	0
External Contributions to Capital	107	384	15	37	329
HQ IT Reserve	294	294	294	294	294
Borrowing	11,944	3,672	10,032	3,619	727
Total Funding	20,525	11,218	15,589	8,242	7,190

13.4 All new capital bids are subject to the same rigour as revenue bids under PBB, together with challenge over existing capital programmes.

14 RISK ASSESSMENT

14.1 This Strategy contains the most up to date information and data available at the time of writing. However, it is important to note that the financial environment in which this is created is volatile and subject to material change. There are a number of financial risks that could alter key assumptions and therefore change the financial outlook. An assessment of these risks is set out below.

	Risk	Likelihood	Impact	Mitigating Action
1	Pay awards and inflation are higher than forecast	Possible	Very High	National negotiations and bids for funding to cover additional costs
2	Specific Government grants reduced/removed	Probable	High	Liaison with Home Office, review service provision linked to grants. Contribute to the Spending Review.
3	Formula Funding Review	Probable	High	Regular monitoring of the national review; transitional arrangement
4	Capital Strategy – costs higher than expected	Possible	Medium	Projects reviewed to ensure costs are affordable. Borrowing costs match current interest forecasts
5	Ability to deliver planned savings	Possible	High	Clear processes are in place to monitor planned savings accepting in year demands and pressures. Monthly budget reports enable decisions to be made in a timely manner as required
6	PFI Expiry	Probable	Medium	Headquarters is a PFI building, with its contract ending 2033/34. Custody Suites were PFI, and that contract was ended several years ago. PFI grants for both schemes end in 2033/34. A PFI Expiry Board has been created to manage process chaired by Chief Executive.
7	Electric Vehicles & charging points – required infrastructure	Probable	High	Build into the relevant strategies and capital funding proposals
8	Emergency Services Network (ESN) – potentially by 2030	Possible	High	Build into the relevant strategies and capital funding proposals
9	PCC – Office proposed to be discontinued in 2028	Confirmed	Medium	The Constabulary will monitor national developments, engage with local partners and ensure future MTFS updates reflect any confirmed governance changes. The Government as yet has not announced what PCC's will be replaced by.

	Risk	Likelihood	Impact	Mitigating Action
10	Police Reform White Paper published 26 th January 2026	Confirmed	Medium	The Constabulary will assess the financial implications if any reforms and incorporate them into future budget and MTFS planning.

14.2 Not all risks are identified here, the Strategic Risk Register is the primary document for the organisational risks, and it is maintained and reported on a regular basis. The table shows the main risk areas currently identified that could materially impact on the MTFS only.

15 CONCLUSION AND NEXT STEPS

15.1 The use of priority-based budgeting with its flexibility to increase or decrease services to match funding, in a way that clearly links to the Commissioner's priorities; Force Management Statement; demands and the Strategic Policing Requirement, allows more considered planning even in uncertain times.

Contact

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**Cheshire
Constabulary**



JOINT MANAGEMENT BOARD

DECISION NO. 2026/05

DATE: 28 JANUARY 2026

BUDGET AND COUNCIL TAX PRECEPT 2026/27

Executive Summary:

The Commissioner is required by law, to set an annual budget and issue a precept (the Commissioner's element of council tax), taking into account Government grant funding, operational demands, and the economic inflationary pressures. Full details of the 2026/27 budget are presented in Appendix 1.

Recommendation: that

- (1) the Police & Crime Panel be notified that it is proposed to increase the police element of council tax by 6.68% (£18.50 p.a. for an average Band D equivalent property for 2026/27; an uplift from £276.94 to £295.44; i.e., by £1.54 per month);
- (2) the net budget requirement for the financial year commencing 1 April 2026 be set at £292.91m.
- (3) This budget is based on the one-off exceptional flexibility granted to Cheshire for 2026/27, allowing the Police and Crime Commissioner to increase the Band D police precept by £18.50. The Home Office has confirmed this uplift in writing; however, final council tax levels for 2026/27 will be formally confirmed through the Department for Levelling Up, Housing and Communities' (DLUHC/MHCLG) Council Tax Report, which is laid before Parliament in February 2026.

The proposed 2026/27 precepts be as follows:

	Number of Band D equivalent houses	Precept on Collection Fund £
Cheshire East	165,549.87	48,910,054
Cheshire West and Chester	132,128.50	39,036,044
Halton	37,115.00	10,965,256
Warrington	73,439.00	21,696,818
Total	408,232.37	120,608,172


Band	Proposed 2026/27 £	Actual 2025/26 £	Change per year £	Change per month £
A	196.96	184.63	12.33	1.03
B	229.79	215.40	14.39	1.20
C	262.61	246.17	16.44	1.37
D	295.44	276.94	18.50	1.54
E	361.09	338.48	22.61	1.88
F	426.75	400.02	26.73	2.23
G	492.40	461.57	30.83	2.57
H	590.88	553.88	37.00	3.08

- (4) the surplus of collection funds allocated to the Commissioner of £307k included in the budget be noted;
- (5) the Legal & Unavoidable Commitments of £3.141m and Operational demands and pressures of £6.289m as set out in tables 3 and 4 of the report, be approved;
- (6) the savings proposals totalling £4.949m and funding & accounting measures of £1.796m, as set out in tables 5 and 6 in the budget report, be approved;
- (7) the financial health targets for monitoring purposes as set out below, be approved:
- (i) *Reserves*
That the level of general reserves, after allowing for potential financial risks be maintained, at no lower than 3% of the net budget and that this be monitored by the Commissioner on a quarterly basis.
 - (ii) *Revenue Spending*
That the Chief Constable maintains revenue spending within 1% of the net budget and that this is monitored by the Commissioner on a quarterly basis.
 - (iii) *Capital Programme Management*
That the Chief Constable maintains the projected capital outturn at a level that does not vary from the original capital programme by more than 20%. The total capital programme includes the new schemes and those schemes brought forward from previous years. This target is to be monitored by the Commissioner on a quarterly basis.
 - (iv) *Debt*
That the Chief Constable collects at least 50% of debtor income within one month of the invoice being raised.
 - (v) *Prudential Indicators*
That the actual prudential indicators be monitored by the Commissioner on an annual basis against the indicators set in the budget.
- (8) the Capital Strategy and Reserves Strategy as set out in appendices 5 and 6 be approved.

I submit these recommendations for approval

Signature

Date 28 January 2026



Deputy Chief Constable

I have reached the following decision:

Approval of the Recommendations

My rationale for this decision is:

Agreeing the 2026/27 budget will allow the Chief Constable to deliver the priorities contained within my Police and Crime Plan and provide the appropriate level of resources for Cheshire Constabulary for the next financial year.

Signature

Date 28 January 2026



Police & Crime Commissioner

PART 1 – NON-CONFIDENTIAL FACTS AND ADVICE

INTRODUCTION AND BACKGROUND

1. The purpose of this report is to enable the Commissioner to finalise the 2026/27 budget and meet their statutory duty to set a precept.
2. The Commissioner receives funding from two main sources – Government grants and local council tax (known as a precept). Government grants account for around 56% with local council tax funding covering the remaining 44%.
3. On 18 December 2025, the Home Secretary published the *Provisional Police Grant Report 2026/27* alongside the Minister of State for Crime, Policing and Fire's Written Ministerial Statement. The provisional statement indicated that total funding for territorial police forces in 2026/27 would be up to £18.3 billion, representing an increase of £746 million compared with 2025/26, equating to a 4.2% cash increase and a 2.0% real-terms increase. It also confirmed that, for Police and Crime Commissioners in England, the council tax referendum threshold would be £15 for a Band D property.
Following this, the final Police Funding Settlement, published on 28 January 2026, confirmed that total funding for territorial police forces will be up to £18.4 billion in 2026/27—an increase of £796 million, equivalent to a 4.5% cash increase and a 2.3% real-terms increase.
On 28 January 2026, the Home Office also confirmed additional exceptional precept flexibility of £3.50 to bring the council tax referendum threshold to £18.50 for a Band D property.

Full details of both the provisional and final settlements are available on the Home Office GOV.UK pages.
4. Full details of the proposed 2026/27 budget are set out in appendix 1. A consultation exercise was undertaken between 9 January and 23 January 2026, details of which are reported in appendix 1.
5. In addition to the budget, the Commissioner is asked to approve the Capital Strategy and Reserves Strategy as set out in appendices 5 and 6.

FINANCIAL COMMENTS

6. The financial comments are included in the appendices to this report.

LEGAL COMMENTS

7. There are no specific legal comments associated with the report.

EQUALITY COMMENTS

8. There are no specific equality comments associated with the report.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.

Is there a Part 2 form – No

Contact Officer: Bill Malloy, Chief Finance Officer (Constabulary)

Tel. No.: 07879470810

Email: william.malloy@cheshire.police.uk

CHIEF OFFICER DECLARATION (Constabulary Chief Finance Officer):

I have reviewed the proposal, and I am satisfied it is correct, all relevant internal checks have been undertaken and it is an appropriate request to be submitted to the Police & Crime Commissioner.

Signature *Bill Malloy*

Date: 28 January 2026

CHIEF FINANCE OFFICER (OPCC) DECLARATION (Clare Hodgson):

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the presentation of this report. I am satisfied that this is an appropriate request to be submitted to the Police & Crime Commissioner.

Signature



Date: 28 January 2026

REVENUE BUDGET AND COUNCIL TAX 2026/27

PURPOSE OF THE REPORT

1. The purpose of this report is to enable the Commissioner to finalise the budget for 2026/27 and meet their statutory duty to set a precept. An overview of the statutory requirements regarding the budget and precept setting including the timing of decision-making and interaction with the Police and Crime Panel is attached in Appendix 2.

INTRODUCTION

2. The Commissioner is required to set an annual balanced budget and precept, taking into account Government funding, precept regulations and organisational demands. This requirement is supported by the production of a Medium-Term Financial Strategy (MTFS) with the annual budget forming the first year of the Strategy. The creation and maintenance of the MTFS is fundamental in promoting good financial planning and delivery of value for money.
3. The MTFS covers the period 2026 to 2031 and is based on several assumptions as set out within the report. In addition to the MTFS, there are a number of other financial strategies relating to reserves, capital, and treasury management that both inform and support the budget process. The current documents are available on the Commissioner's website via the following link – www.cheshire-pcc.gov.uk.

COMMISSIONER'S PRIORITIES FOR POLICING

4. This budget is being set against the ongoing delivery of the Commissioner's Police and Crime Plan 2024-28. The budget proposal contained in this report will help ensure that the Plan and its objectives continue to be delivered, and the communities of Cheshire kept safe. The Commissioner's Plan includes the following three key pillars:
 - Listen to the Public
 - Modernise
 - Reduce Crime

Listen to the Public

5. During the last 12 months, the Commissioner has actioned the plans he set out to engage widely with the public through the hosting of citizens' assemblies in each of the nine Local Policing Units (LPUs) across the Constabulary area. Citizens' Assemblies have now been completed in Crewe and Nantwich, Runcorn, Widnes and Macclesfield. Five more are planned before 2028. Citizens' assemblies enable the Commissioner and his team to hear the voices of a representative section of local people and enable local policing teams to be better informed.
6. The Commissioner's Plan includes a wide range of support for victims of crime, by commissioning tailored services to best meet their needs. By regularly reviewing police performance and holding the Chief Constable to account, the Commissioner will ensure that the police are using all the tools available to them. He will retain a sharp focus on the Constabulary handling victims with care, respect and sensitivity.

Modernise

7. The Commissioner is keen to drive efficiencies and explore how artificial intelligence and data analytics can help drive forward many of the priorities contained within his Plan. Innovative technology will be embraced to ensure that the service is well equipped to deal with current and emerging threats and ensuring the police are present when and where they are needed most. This relates to operational technology such as emerging drone technology and facial recognition technology, as well as automation in office-based systems where this can improve efficiency. This will be supported by an employment culture which is open to new ideas and new ways of working. Wherever possible, the Commissioner will look to secure additional funding and work with key stakeholders to build on the successes already achieved.
8. This budget also makes provision for funding to ensure that the Constabulary estate is modernised and, despite the challenging financial context and the age and size of the estate, invest in existing properties in a sustainable and economic way to enable them to remain effective policing bases best placed to serve our communities. The development of new, state of the art and environmentally sustainable operational bases in Wilmslow (which recently opened) and Crewe is ongoing.

Reduce Crime

9. Through his citizens' assemblies, the Commissioner is clear how important neighbourhood policing, and a visible police presence is to all our communities and will support and review the development of the neighbourhood policing model where all communities will have a named contact. Through his scrutiny process, the Plan also sets out how response and call handling times will be monitored. The budget will support the continued use of tools such as Dytask which will ensure that hotspot areas are properly policed, and that communities and businesses can be best supported at times when they may need additional resources to address such issues as ASB.
10. The Commissioner's Plan also includes a keen focus on violence against women and girls and driving up the reporting of domestic abuse incidents, to ensure the service provided to victims is the best it can be, and that those most at risk of harm are protected. For example, 2025 saw a pilot launch of a multi-agency approach to engage both perpetrators and those impacted by domestic violence in prevention programmes with the aim to cut the generational cycle of domestic abuse.
11. The budget supports the Plan's focus on the prevention agenda and efforts to steer people away from criminal activity, looking to commission educational programmes where appropriate to tackle the scourge of knife crime and other serious violence, but also working with perpetrators and ex-offenders to rehabilitate them into our communities and deter them from further criminality. The Commissioner's 'Fresh start' programme working with the Department for Work and Pensions (DWP) and Probation partners has now seen 15 offers of employment since its launch in September 2025. This budget also sets out the contributions that will be made to regional policing operations which focus on serious and organised crime and counter

terrorism, for which the Commissioner and his regional counterparts will provide oversight and scrutiny.

12. The Plan sets out the work which will be undertaken with local community groups, utilising money seized through the Proceeds of Crime Act to develop projects which support local communities to tackle crime and anti-social behaviour. 192 local community organisations have benefited from small pots of funding so far and there is a further pledge of funding to support Phone Free Education in Cheshire to reduce online safeguarding incidents in mainstream state high schools and prevent more young people entering the criminal justice system.
13. The Commissioner's Police & Crime Plan is the key document in local policing which has helped develop this budget proposal and set out policing priorities for the forthcoming years.

FINANCIAL BACKGROUND

14. On 18 December 2025, the Minister of State for Policing and Crime published the Provisional Police Funding Settlement 2026/27, followed by the Police Grant Report (England and Wales) 2026/27, formally laid before Parliament on 28 January 2026.

The key points from the statement are set out below.

15. The Government has set out the policing funding settlement for the forthcoming financial year. Total funding for (territorial) police forces will be up to £18.4 billion in 2026-27, an increase of up to £796 million compared to the 2025-26 police funding settlement. This equates to a 4.5% cash increase and a 2.3% real terms increase for police forces.

Full details of the Settlement can be found on the Home Office [gov.uk](https://www.gov.uk) pages.

16. In addition to government funding, policing also receives a share of council tax (known as a precept). The Government confirmed that in Cheshire, the Police & Crime Commissioner will have the flexibility to raise the police precept by £18.50 for a Band D property for 2026/27. The Home Office have confirmed the precept in writing however, final council tax levels will be confirmed in MHCLG's council tax report in February.
17. In 2024 the Government set out what it expects from Policing as part of the Prime Minister's Plan for Change. The priorities are:
 - Increasing the number of officers, PCSOs and special constables in neighbourhood policing teams
 - Tackling violence against women and girls
 - Reducing knife crime
 - Cracking down on antisocial behaviour; and
 - By doing these things, increase public confidence in policing

18. To deliver these priorities, the Constabulary must maintain effective neighbourhood policing, protect vulnerable people, prevent crime and harm, and tackle anti-social behaviour. These responsibilities place ongoing pressure on resources and have been considered in the development of the budget proposals.
19. This budget proposal supports the above whilst taking into account the limiting financial factors.

2026/27 BUDGET PROPOSALS

20. The preparation of the 2026/27 budget commenced in 2025/26 utilising a planning process that had at its core the following key documents - the Commissioner's Police & Crime Plan; the Force Management Statement; the Chief Constable's Plan on a Page; local, regional, and national commitments; and the Strategic Policing Requirement. Recognising both demand and risks together with the Value for Money profiles, the Constabulary set out the key principles for that planning process:
 - Ensure the plans and proposals align to the priorities and demands as set out in the key documents, fully utilising the priority-based budgeting (PBB) process which examines all areas of the budget and matches resources according to priorities and risk;
 - Identify savings and efficiencies which can be made through the PBB process in support of the budget and spending plans.
 - Set a comprehensive, timely, balanced, and realistic budget;
 - Takes into account pay and price inflation and achievability of savings;
 - Complies with the approved treasury management strategy;
 - Complies with the approved reserves strategy;
 - Raises awareness of and communicates key financial messages both internally and externally;
 - Ensure budgets set are affordable and do not jeopardise financial stability either in the short or long term;
 - All spending plans will need to demonstrate that they can achieve value for money;
 - Spending will be agreed only when the necessary funding is identified and approved;
 - External funding will be sought wherever it can be used in a sustainable manner that does not lead to unforeseen costs; and
 - Budget proposals will be publicised and consulted upon with stakeholders in an open and transparent manner.

PROPOSED REVENUE BUDGET 2026/27

21. Table 1 shows the outcome of the budget planning process with the proposed revenue budget for 2026/27. The impact of the threats and demands placed upon policing; commitments required; proposed savings and the total funding available to the Commissioner are reflected within these proposals.

22. The proposed revenue budget is considered vital by the Chief Constable to deliver a viable, sustainable police service to the public of Cheshire and to deliver the priorities and demands placed on the Constabulary.

Table 1: Proposed Revenue Budget	2026/27 £000
2026/27 Gross Expenditure Budget	307,654
Pay and Price Inflation (Table 2)	13,131
Legal & Unavoidable Commitments (Table 3)	3,141
Operational Demands and Pressures (Table 4)	6,289
Savings (Table 5)	-4,949
Funding & Accounting Measures (Table 6)	-1,796
Use of Reserves	-181
2026/27 Gross Expenditure Budget	323,289
Other income and specific grants	-30,377
2026/27 Net Budget Requirement	292,912
Financed by:	
Government Police Grant & Formula Funding	-163,741
Legacy Council Tax Grant	-8,256
Council Tax Precept (assuming £18.50 increase Band D)	-120,608
(Surplus)/Deficit on Collection Funds	-307
2026/27 Net Budget Requirement	-292,912

INFLATION

23. Inflation in both pay and price terms is applied to budgets where appropriate. For 2026/27 the details are: pay awards are negotiated nationally and the increase is mandated for all forces. The proposed budget includes an estimated 3.0% pay award for September 2026 and the full year impact of the 4.2% pay award from September 2025.
24. For non-pay items, the inflation applied is based on the Office of National Statistics Inflation Report using the most applicable inflation factor. However, the proposed budget acknowledges that certain non-pay items such as energy costs are significantly more expensive and additional inflation has been applied to those areas, together with contractual obligations for inflation based on specified indices. The following table shows the inflation applied.

Table 2: Inflation	2026/27 £000
Pay inflation (estimated)	10,555
Price (non-pay) inflation provision	2,576
Total Inflation	13,131

LEGAL & UNAVOIDABLE COMMITMENTS

25. Legal and unavoidable commitments come from two sources, the impact of decisions taken in previous years that have a financial impact in the forthcoming financial year and the financial impact of external decisions and changes such as the introduction of a new financial burden – for example the change to national insurance contributions or change in legislation. The following table shows those items included in the 2026/27 budget proposal.

Table 3: Legal & Unavoidable Commitments	2026/27 £000
Police Uplift Programme	1,994
AI Investment	500
Increase in borrowing (capital)	400
Accreditation costs	113
Prior Year Decisions	109
NPCC Contributions	25
Total	3,141

26. Police Uplift Programme. The budget includes £1.994m to reflect the ongoing cost of the Police Uplift Programme. This relates to the full-year impact of previously agreed officer recruitment, including pay, pension contributions, training, and associated support costs. While the initial recruitment was supported by Government funding, the ongoing employment costs remain a permanent commitment within the revenue budget. These costs are unavoidable and must be provided for to maintain officer numbers and operational capability.
27. Artificial Intelligence (AI) Investment. An additional £0.5m has been allocated to support investment in artificial intelligence and digital capability, in line with the Commissioner’s Police and Crime Plan. This investment is focused on improving productivity, enhancing data analysis, and supporting more efficient service delivery. The funding reflects the growing importance of technology in modern policing and the need to maintain systems that are secure, compliant, and fit for purpose.
28. Increased Borrowing and Capital Financing Costs. The budget includes £0.4m to meet the increased revenue costs associated with borrowing for the capital programme. As general capital grant funding is no longer available, the Constabulary relies on borrowing to fund major investments such as estates, vehicles, and IT infrastructure. This creates unavoidable revenue commitments in the form of interest payments and Minimum Revenue Provision (MRP) to repay debt over time.
29. Accreditation Costs. The budget includes £0.113m to meet mandatory accreditation requirements. These relate to national standards, regulatory compliance, and professional assurance processes that the Constabulary must maintain. Accreditation is essential to ensure service quality, public confidence, and compliance with national policing frameworks.

30. Prior Year Decisions. A sum of £0.109m has been included to reflect the financial impact of decisions taken in previous years that now affect the 2026/27 budget. These include contractual commitments, staffing decisions, and service changes that carry forward into future financial years. As these decisions have already been approved and implemented, the associated costs are unavoidable.
31. NPCC Contributions. A contribution of £0.025m is included to meet Cheshire Constabulary's obligations to the National Police Chiefs' Council (NPCC). These contributions support national coordination, specialist capabilities, policy development, and shared services that benefit all forces. The costs are unavoidable as part of Cheshire's participation in national policing arrangements.
32. Under Sections 22B and 22C of the Police Reform and Social Responsibility Act 2011, Chief Officers and Commissioners have a duty to keep collaboration opportunities under review and to collaborate where it is in the interests of the efficiency or effectiveness of their own and other police force areas. This is in recognition that there are certain services required, which are not affordable by individual forces alone – e.g., firearms provision. The above costs reflect the additional uplift requirements to the collaborations Cheshire is involved in, subject to partner forces full agreement.

OPERATIONAL DEMANDS AND PRESSURES

33. The following table sets out the additional investments included within the proposed budget and linked to the priorities set out earlier in the report. As part of the priority-based budgeting process, the demand and pressures set out in the Force Management Statement are used to inform the decisions alongside national and local priorities.

Table 4 – Operational Demands & Pressures	2026/27 £000
Neighbourhood Policing Grant Costs	1,515
Gauke Sentencing Review	1,500
Increased Investigative Activity and Case Building	1,008
Workforce Health and Wellbeing	588
Public Liability, Legal and Court Costs	503
Increased support costs to meet demand	336
Investment in prevention work	318
Investment in Call Handling	276
Increase in Dangerous Dogs Costs	200
GoodSam (Communication Platform)	45
Total	6,289

34. The cost of delivering the neighbourhood policing grant in 2026/27 is estimated at £1.515m based on the targets received in a Home Office letter on 16th January 2026. The costs also reflect the staffing, supervision, training, and support costs required to maintain visible, accessible policing across all communities, including named local contacts and proactive engagement activity. While Government funding has been indicated to support neighbourhood policing, the full operational cost remains a

significant pressure within the revenue budget. A total of £5.503m has been confirmed to support Neighbourhood Policing next year under a Neighbourhood Policing Ringfence Grant however this includes elements of existing workforce grants previously included in the budget, the true increased funding for us in 2026/27 is only £0.752m.

35. In addition, the anticipated impact of the Gauke Sentencing Review is expected to increase operational demand on the Constabulary, with an estimated cost of £1.5m. Early indications from the National Police Chiefs' Council suggest that changes to sentencing and criminal justice processes are likely to result in increased workloads for frontline officers, custody, investigation teams, and offender management services. This includes longer case durations, additional evidential requirements, and greater involvement in post-sentence supervision and compliance activity.
36. Increased Investigative Activity and Case Building: An estimated £1.08m has been included to reflect increased activity in arrests, file preparation, and investigative case building. This pressure arises from rising complexity in criminal investigations, higher evidential standards, digital forensics requirements, and more time-intensive court processes. These factors increase the demand on investigative teams, criminal justice units, and specialist support functions, resulting in higher staffing and support costs.
37. Workforce health, wellbeing and operational safety pressures are also reflected in the MTFs, with an estimated cost of £0.588m. This includes the financial impact of health-related workforce exits, absence, rehabilitation support, and operational safety incidents. Maintaining workforce resilience and capacity is essential to sustaining service delivery, but these pressures continue to place demands on the revenue budget.
38. Legal, Court, and Public Protection Costs. Public liability, legal, and court-related costs are forecast to increase by £0.503m. Policing continues to experience higher levels of litigation, including claims arising from operational activity, custody processes, and road traffic incidents. These costs include legal representation, court fees, settlements, and associated administrative support. The trend reflects both increased case complexity and higher external legal costs.
39. The Constabulary also faces increased support costs to meet operational demand, estimated at £0.336m. This includes additional requirements for professional services, back-office support, ICT, and corporate functions that enable frontline delivery. As operational activity increases, these enabling services must scale accordingly to maintain performance and compliance.
40. Investment in prevention and early intervention work, totalling £0.318m, supports efforts to reduce long-term demand by addressing the root causes of crime. This includes education, diversionary programmes, and partnership activity aimed at preventing serious violence, knife crime, and repeat offending. While preventative work does not always deliver immediate savings, it plays an important role in managing future demand pressures.

41. An additional £0.276m has been allocated to support call handling services. Demand on contact centres continues to rise due to increased public reporting, safeguarding referrals, and incident complexity. Maintaining timely response times and service quality requires sufficient staffing, training, and digital infrastructure.
Specialist and Emerging Demand Pressures
42. The cost of managing dangerous dogs and related public safety activity is forecast to increase by £0.2m. This reflects rising kennelling fees, veterinary costs, legal processes and classifications, and specialist officer time required to manage dangerous dog cases safely and lawfully. These pressures can fluctuate significantly depending on incident volumes and court outcomes.
43. Finally, £0.045m has been allocated for the GoodSAM communication platform. This system enhances operational response by enabling real-time communication with trained responders and providing improved situational awareness during incidents. The investment supports faster decision-making, officer safety, and more effective deployment of resources.

SAVINGS, FUNDING & ACCOUNTING MEASURES

44. A key requirement of the funding settlement is an assurance that public spending provides value for money and funding is prioritised in line with the Police and Crime Plan, operational demand etc. As part of the budget process, non-pay expenditure was scrutinised to ensure that all efficiency opportunities have been maximised without impacting on service delivery and resources focussed on key priorities. The savings opportunities are set out below.

Table 5 – Savings	2026/27 £000
Workforce:	
PCSO reductions (30 voluntary redundancies)	-1,323
Workforce Planning Efficiencies	-1,065
Vacancy Management	-868
LGPS Employer Contribution Reduction	-566
Non-Pay:	
Airwave Savings	-450
Non-pay expenditure review	-287
Contract reviews and reductions	-253
PFI rates review	-77
National Systems Costs	-60
Total	-4,949

45. PCSO Reductions (30 voluntary redundancies). This saving is achieved through the reduction of 30 PCSO posts via a voluntary redundancy programme. While PCSOs provide valuable community engagement and reassurance, this proposal reflects the limited remaining options for achieving savings without reducing frontline police officer numbers, which are protected through national funding and policy commitments.

46. Workforce Planning Efficiencies. These savings arise from a review of establishment levels, role alignment, and vacancy controls across support functions. The focus is on ensuring posts are aligned to operational priorities and removing duplication where possible.
47. Vacancy Management. This reflects tighter controls over recruitment timelines and the management of vacant posts. This delivers recurring savings through more disciplined workforce planning. As part of the 2026/27 budget, the vacancy factor has been kept at 6% having been benchmarked with other forces the previous year.
48. LGPS Employer Contribution Reduction. The proposed reduction in the LGPS employer contribution rate from 20.6% to 19.6% from 1st April 2026 generates a recurring saving, reflecting updated actuarial assessments of pension liabilities.
49. Airwave Savings. Savings achieved through contract and usage optimisation of legacy communications systems as the Force transitions towards newer digital platforms.
50. Non-Pay Expenditure Review. A comprehensive review of discretionary non-pay budgets, including supplies, services, and operational support costs. This reflects tightening of spending controls rather than service expansion.
51. Contract Reviews & Reductions. Renegotiation and rationalisation of supplier contracts where value for money can be improved without compromising operational delivery.
52. PFI Rates Review. Savings achieved through reassessment of PFI financing assumptions and indexation where contractually permitted.
53. National Systems Costs. Efficiencies achieved through national collaboration and cost-sharing arrangements for shared systems.

Table 6 – Funding & Accounting Measures	2026/27 £000
Revenue Contribution to Capital	-1,746
Capitalised Costs	-50
Total	-1,796

54. Revenue Contribution to Capital. This reflects the use of revenue funding to support the capital programme, thereby reducing the need for borrowing or reserves. While this reduction supports short-term budget balancing, it does not reduce underlying cost pressures.
55. Capitalised Costs. Certain eligible costs are treated as capital expenditure in line with accounting standards, spreading the financial impact over future years rather than the current revenue budget.

RISKS AND SENSITIVITY ANALYSIS

56. At this stage, there remains significant uncertainty within the 2026/27 funding position, as several key grant allocations and clarifications—most notably the final Neighbourhood Policing Grant and associated conditions—have not yet been confirmed by the Home Office. As a result, both the draft budget and the proposed precept level may be subject to change once the final settlement is received. In addition, the application for exceptional precept flexibility for 2026/27 has been submitted but has not yet been determined. The outcome of this request will have a direct impact on the authority's ability to set a balanced and sustainable budget. Any further information or required amendments arising from these outstanding decisions will be reported to the Commissioner at the earliest opportunity, together with the necessary adjustments to the financial plans.
57. As with any assumptions, there are risks that the actual outcome will be different. There are key assumptions included within this proposed budget that could significantly affect the proposed budget such as pay awards where a 0.5% movement in the pay award would have a potential £1.4m impact on the budget. Inflationary pressures have been reflected in this proposed budget, but with such volatility at present, the estimates made may change.
58. Reserves are held to provide flexibility in-year for such incidences and the Reserves Strategy included within this report covers this in more detail.

COUNCIL TAX PRECEPT

59. A precept is levied on the Council Tax for policing in Cheshire. It is the responsibility of the Commissioner to set the level of precept as part of the budget setting process. On 17 December 2025, the Secretary of State published a draft of the Referendums Relating to Council Tax Increases (Principles) (England) Report 2026-27 which set out the council tax referendum principles. These principles set the maximum increase permitted before a local referendum is required. For policing this was set at £15 on a Band D property for 2026/27. However, it is for the Commissioner to decide the level of precept annually.
60. For 2026/27, Police and Crime Commissioners were also given the opportunity by the Government to bid for exceptional precept flexibility where additional increases on the police precept are viewed as critical to maintaining financial sustainability. The Commissioner requested this flexibility in Cheshire to enable the budget gap to be closed without reductions in PCSO numbers and the higher amount was reflected in the precept consultation. The Government granted an additional £3.50 on top of the £15. For 2026/27 the Commissioner proposed to increase the precept at £18.50 on a Band D property. This represents a 6.7% increase from 2025/26.
61. To calculate the level of Council Tax funding, each local authority calculates the taxbase (the assimilated number of council tax bills issued) taking into account changes in the number of houses, council tax benefits etc. Compared to 2025/26, the overall taxbase has increased by 4106.87 compared to last year when the increase was

6767.78. The following table shows the proposed level of precepts for each local authority and the individual amount levied per each Council Tax band.

	Number of Band D Equivalentents	Precept on Collection Fund £
Cheshire East	165,549.87	48,910,054
Cheshire West & Chester	132,128.50	39,036,044
Halton	37,115.00	10,965,256
Warrington	73,439.00	21,696,818
TOTAL	408,232.37	120,608,172

Band	Proposed 2026/27 £	Actual 2025/26 £	Change per year £	Change per month £
A	196.96	184.63	12.33	1.03
B	229.79	215.40	14.39	1.2
C	262.61	246.17	16.44	1.37
D	295.44	276.94	18.50	1.54
E	361.09	338.48	22.61	1.88
F	426.75	400.02	26.73	2.23
G	492.40	461.57	30.83	2.57
H	590.88	553.88	37.00	3.08

Basis of precept consultation

Basis of Government increase calculations

62. In addition to the above precept, each of the four local authorities holds a council tax collection fund; this is a separate fund that records the income and expenditure relating to council tax. Any surplus or deficit on the fund is due to or paid for by the individual authorities, the Police & Crime Commissioner and Cheshire Fire Authority respectively. The net surplus amount declared and payable to the Commissioner in 2026/27 amounts to £307k.

COMMISSIONING

63. For the 2026/27 financial year, the commissioning strategy will continue to prioritise support for victims of crime, ensuring that services are in place to help individuals cope with their experiences and achieve the best possible recovery outcomes. The Commissioner will draw on insights from the Cheshire Victims' Needs Assessment and the Serious Violence Needs Assessment to identify priority areas for development. In addition, the recently completed Sexual Abuse Needs Assessment, will further inform commissioning decisions. The core service for victims across Cheshire remains as Cheshire CARES, which receives all crime reports from the Constabulary. Cheshire CARES provides support from the earliest point of contact and throughout the victim's

journey to help them cope and recover. This provision is strengthened by enhanced support for victims of Hate Crime, delivered by Remedi, ensuring tailored assistance for those with specific needs.

64. The Commissioner has additional responsibilities to have specialist services available, e.g., to support victims of rape and sexual abuse, child sexual abuse and domestic abuse as well as to provide a restorative justice (RJ) service. The costs of victims' services commissioned, are funded through an allocation provided from the Ministry of Justice. The core funding allocation for the 2026/27 Victims Grant has been confirmed and is now approximately £1.2m but as in previous years, opportunities to attract further funding to support will be explored. The Commissioner will continue to work with partners across all sectors to identify and address gaps and/or emerging areas for victims' services and to drive the effectiveness of the service commissioned through the Victim's Grant Fund in 2026/27. The Restorative Justice services delivered by Remedi will continue to reduce the likelihood of future offending whilst also meeting the needs of victims of crime.
65. A further £1.8 Million (approx.) has been obtained by the Commissioner for 2026/27 over and above the core grant to support front line Domestic Abuse and Sexual Abuse services, this not only supports front line victims but will also deliver pan Cheshire Domestic Abuse Perpetrator interventions. This funding has been reduced this year, but the Commissioner is working hard to explore opportunities for collaboration and sourcing additional funding to support this important work.
66. The Commissioner will look to further expand and embed a prevention-first culture by working proactively to prevent crime through community partnerships and stakeholder engagement. During 2026/27, the Commissioner's team will be working closely with partners to move forward a proposal to have a pan-Cheshire CSP with effect from 1 April 2027. Work is currently ongoing to identify strategic priorities across the four partnerships with a view to developing a pan-Cheshire community safety strategy for 2027 and beyond.
67. The Commissioner will look to further expand and embed a prevention-first culture by working proactively to prevent crime through community partnerships and stakeholder engagement. As part of this, the Commissioner will continue to support the work of Community Safety Partnerships in the 4 local authority areas and providing them with funding of just over £500,000 to deliver community safety initiatives locally in 2026/27.
68. As part of the Commissioner's commitment to tackle the root causes of criminality, particular focus will be given to initiatives which concentrate on rehabilitation of people who have offended or those at risk of offending, working with a wide range of stakeholders the Commissioner will look to co-commission a number of programmes across Cheshire.

CAPITAL PROGRAMME

69. In addition to the revenue budget, a programme of capital investment is proposed for 2026/27. This programme links to the major strategies such as Estates, Digital

Business Technology and Fleet together with the annual replacement cycle for assets such as equipment.

70. Funding for this investment, is no longer supported through Government grants and therefore is now covered by capital receipts (the net proceeds from the sales of assets), reserves held by the Commissioner, contributions and borrowing. The contributions include funding set aside within the general budget each year. A summary of the proposed programme and associated funding is shown below.

Table 8: Capital Strategy	2026/27 £000
Annual Replacement Schemes:	
Fleet Vehicles	4,000
IT and Communications	1,470
New Schemes:	
Estates - Maintenance & Environmental	882
Estates Strategy 2021-2031	12,062
IT and Communications	1,513
Operational Equipment	179
Collaboration/Funded Vehicles	419
Capital Expenditure	20,525

71. Full details of the individual schemes within the capital programme are provided in Appendix 4 of this report and in the Commissioner’s Capital Strategy attached at Appendix 4. The proposed funding for the above capital investment is set out in the following table.

Table 9: Capital Financing	2026/27 £000
Capital Receipts	5,500
Revenue Contributions to Capital	2,502
Revenue and Capital Reserves	178
External Contributions to Capital	107
HQ IT Reserve	294
Borrowing	11,944
Total Funding	20,525

ROBUSTNESS OF ESTIMATES

72. Section 25 of the Local Government Act 2003 places a requirement on Chief Finance Officers to report on the robustness of the estimates used in the preparation of this proposed budget. Details of how this requirement is met are in Appendix 3.

RESERVES

73. Section 25 of the Local Government Act 2003 also places a requirement on Chief Finance Officers to formally report on the adequacy of the reserves. The Chief Finance Officers assess this in the context of the strategic, operational, and financial risks and opportunities facing the Commissioner and the Constabulary.
74. While holding reserves is a recognised and recommended financial management tool, the levels of such reserves must remain prudent, appropriate to the level of risk and opportunity and not excessive. This is set out within the Commissioner's Reserves Strategy attached at Appendix 5.

CONSULTATION WITH THE PUBLIC AND BUSINESS RATEPAYERS

75. A formal consultation exercise on the police precept was undertaken between 9 January and 23 January 2026. The survey was carried out mainly online with face-to-face consultations occurring on various trains across Cheshire and a busy bus route in Warrington.
76. Residents were encouraged to complete the survey via social media platforms e.g Facebook, LinkedIn and Instagram, as well as via Cheshire Police Alert, the Cheshire Police and Crime Commissioner website and media activity.
77. All the parish and town councils in Cheshire were written out to requesting their support in promoting the survey to their communities. Many parish councils helped to spread the word, by promoting on their own social media or newsletters.
78. Local business chambers of commerce and all four local authorities were reached out to, asking them to complete and promote the survey to their networks and communities.
79. The key messages provided via the survey and its promotion were that supporting a larger increase (£25.76 per year Band B (£33 per year Band D)) than the current precept cap could help to save the PCSOs from risk of redundancy. Details around what would be provided in the event of a policing precept freeze or increase of £11.67 per year (Band B) which equates to £15 per year (Band D) were also made available.
80. Before accessing the survey, respondents were directed to a landing page on the PCC website which gave them access to a number of frequently asked questions, which included a table detailing the impact of each option on each Council Tax Band. A link was also provided so that people could check their Band if they were unsure. When respondents clicked on the survey link, they saw a graphic which detailed examples of services that could be cut or retained due to the increase. The question read:

Which one of these options for next year's Cheshire police budget would you support?

Cut back - Pay no more for policing in 2026/27

*Manage - Pay £0.97 more each month for policing in 2026/27**

*Do more - Pay £2.14 more each month for policing in 2026/27**

** Based on a Band B council tax property*

81. At the close of the survey on 23rd January, a total of 6,169* responses showed the following:

Do more 3502 (57%)

Manage 984 (16%)

Cut back 1683 (27%)

*in assessing the responses received, there was clear evidence of a number of duplicate responses which we believe had been automatically generated. These have been removed based on IP address and time pattern of response, not option chosen. The results are being presented to the Independent Ethics Panel for its consideration

Following verification, the full results of this survey will be published on the Cheshire PCC website at www.cheshire-pcc.gov.uk/get-involved/have-your-say/outcomes-and-results/.

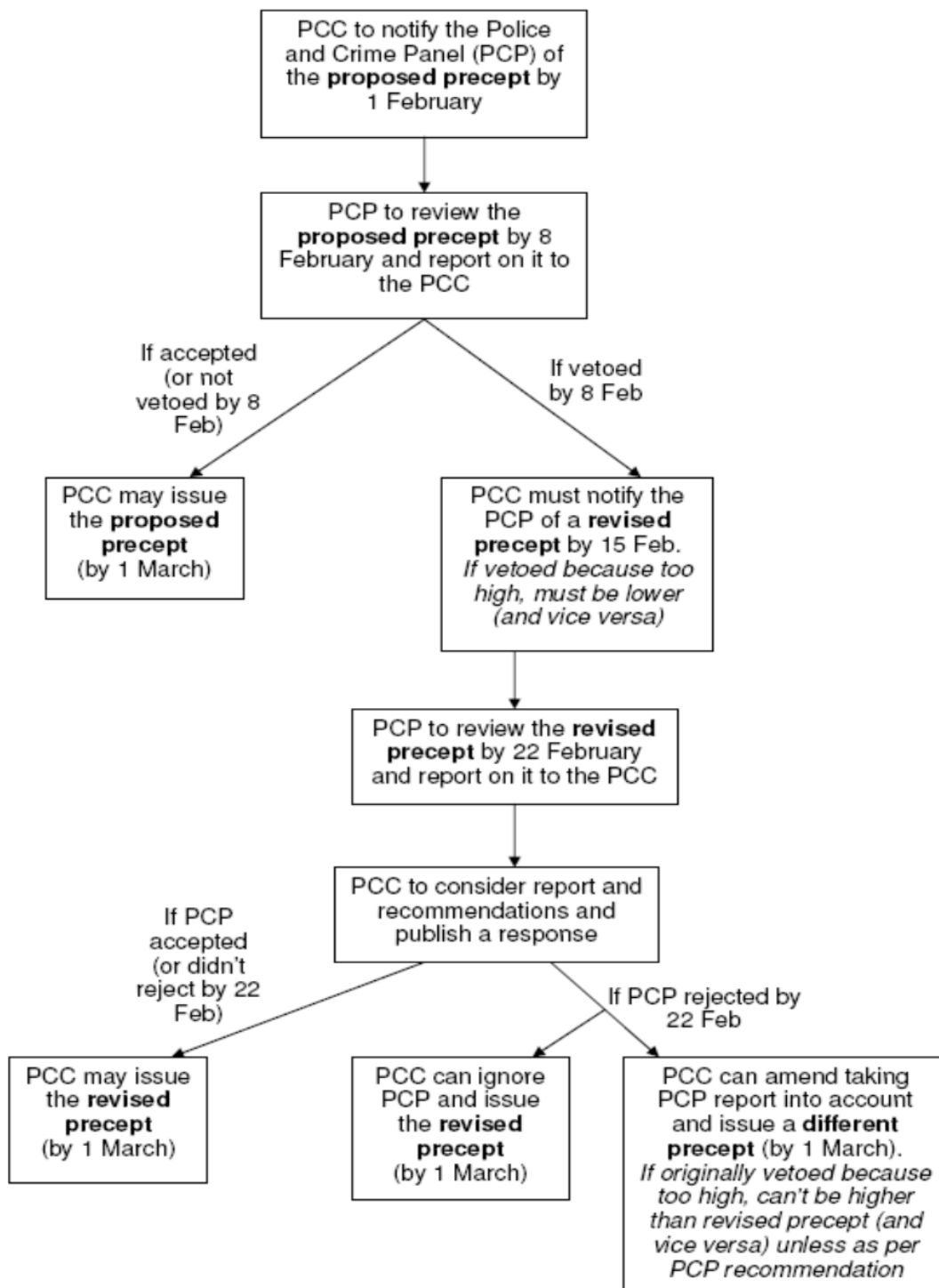
BUDGET AND PRECEPT SETTING TIMETABLE

PURPOSE

1. To provide the Commissioner with an overview of the statutory requirements regarding budget and precept setting and the interaction with the Police and Crime Panel. It also provides a copy of the internal timetable developed to enable the Commissioner to meet the statutory timetable.

STATUTORY REQUIREMENTS

2. The statutory requirements for precepting authorities to set a budget and issue a precept for the next financial year are set out in Chapters 3, 4, and 5 of the Local Government Finance Act 1992. They include significant detail on how budget estimates and the precept must be calculated. The Police Act 1996 and the Police Reform and Social Responsibility Act 2011 amended these provisions for the change to police authorities and Police and Crime Commissioners respectively, but the basic statutory requirements remain the same.
3. Schedule 5 of the Police Reform and Social Responsibility Act 2011 and The Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012 provide further detail on the process the Commissioner must follow for notifying the Police and Crime Panel of the proposed precept by 1 February of the relevant financial year (Section 3 of the 2012 Act). They also cover the interaction between the Panel and the Commissioner leading to the determination of the precept by the Commissioner by 1 March. The process is set out with the due dates diagrammatically in Annex A.

PCC PRECEPT APPROVAL (Final Regulations)

ROBUSTNESS OF ESTIMATES

1. Section 25 of the Local Government Act 2003 places a requirement on Chief Finance Officers to report on the robustness of the estimates used in preparing the budget.
2. The Commissioner has a policy and expenditure planning process that takes account of the service scenario and financial scenario in some detail for 2026/27. Alongside this, future capital programmes have been produced taking into account forecast Government funding, borrowing limits and council tax. For 2026/27 borrowing levels are also guided by the prudential indicators as set out in the Treasury Management Strategy.
3. For 2026/27, full consideration of these issues had led to:
 - Policy and expenditure proposals that reflect the Government's Provisional Police Grant Settlement together with the on-going revenue impact of new capital projects, whilst recognising the outstanding issues and uncertainties.
 - A proposed capital-financing budget based on 2026/27 capital programme.
4. When using estimates in preparing the budget every effort is taken to ensure that they take into account the most up to date data. However, it should be noted that there are a number of areas where the actual impact could vary from the estimates used in setting the budget. The principal areas are:
 - Pay awards, pension increases, national reviews of pay & inflation
 - Service financial performance (i.e., variances on budgets)
 - Ability to achieve projected savings
 - Operational demands
5. To provide for all potential scenarios that may arise would be prohibitively expensive and result in demands on council taxpayers considerably higher than likely need. For 2026/27 £13.131m has been provided for pay and price increases.
6. Many factors can affect financial performance in year including under or over-achievement of efficiency savings, income, and other financial targets. The Commissioner takes a number of steps to minimise the impact by:
 - Seeking wherever possible to explore in full the implications and achievability of policy and expenditure options before the budget is set.
 - Promoting a robust approach to financial management requiring budget holders to monitor expenditure against budget and to take prompt action in reporting and responding to projected variances.
 - Quarterly reporting of the projected budgetary outturn supplemented by monthly exception reports to prompt remedial action if necessary.
 - Creation of appropriate and proportionate contingencies.
7. It should be noted that while every effort is taken to ensure the budget is balanced, there is always the possibility of variances to the budget occurring. The Commissioner holds reserves to mitigate this as set out in the Reserves Strategy.

CAPITAL PROGRAMME 2026/27	
<u>Prior Year Schemes</u>	£'000
Estates Strategy - Major Projects - Crewe	10,078
Estates Strategy - Major Projects Wilmslow	34
Custody Refurbishment Project	10
ABE suite at CSH	30
Ref areas, welfare rooms – CSH, Arpley St, Runcorn (Phase 1)	17
Mitel Handset Replacement - Teams	50
Armed Alliance Vehicle Replacements	78
UWSU	8
Workshop Capital Equipment	50
Total Prior Year Starts	10,355
<u>New Schemes</u>	
<u>Property & Construction</u>	
Estates Essential Maintenance	100
Electric Fleet charging points at LPU's	300
Decarbonisation Measures *	250
Refurbishment of HQ ground floor meeting spaces	100
TTC Range targets replacements	75
Estates Strategy - Major Projects - Northern Stations*	1,950
<u>IT & Communications</u>	
Technology Refresh - Devices	1,080
Technology Refresh - Infrastructure (Servers/Network)	250
Technology Refresh - Teams Rooms Devices	100
Collision Investigation Storage	100
Upgrade/Replace Network Switches	200
ESN Equipment	1,163
Technology Refresh – E-Forensics	40
<u>Equipment</u>	
MAV Rapier ANPR Camera Replacements	98
<u>Vehicles</u>	
Annual Vehicle Replacement Programme	4,000
Armed Alliance Vehicle Replacements	163
UWSU Replacements	170
Workshop Capital Equipment	31
Total New Schemes	10,170
TOTAL FORECAST CAPITAL EXPENDITURE	20,525

Starred items – marked *. Any capital scheme can be 'starred' to reflect the Commissioner's agreement in principle, but no further action can be taken without further approval being obtained when more detailed plans are available. For example, the Estates Strategy includes several major schemes which will be submitted for approval individually as and when details proposals are prepared.

Capital Strategy 2026-2031



Cheshire
Police & Crime
Commissioner



Cheshire
Constabulary

Introduction

Welcome to the 2026-31 Capital Strategy.

This strategy sets out the proposed investments in assets over the next five years. It is fundamentally linked to the Estates; Fleet and Digital Strategies which form the detailed plans summarised within this Strategy and to the priorities set out in the Commissioner's Police and Crime Plan.

Funding for these investments comes through specific grants; capital receipts (the sale proceeds from existing assets); reserves; contributions and borrowing. Borrowing will incur costs for interest payable and the need to set aside sufficient funds to repay the loan. Therefore, borrowing is only used as a last resort or for long-term assets such as Estates.



**Chief Constable
Mark Roberts QPM**



**Police and Crime Commissioner
Dan Price**

1. INTRODUCTION

- 1.1. The CIPFA Prudential Code for Capital Finance in Local Authorities establishes a framework that supports local strategic planning, asset management and appropriate options appraisal.
- 1.2. The objectives of the Prudential Code are to ensure that the capital plans of an organisation are affordable, prudent, and sustainable and the treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved.

2. DEFINITION

- 2.1. To utilise the full extent of the Prudential Code and its framework, it is essential that there is a clear understanding of what is capital expenditure. Unless expenditure qualifies as capital it will normally fall outside the scope of the Code and its framework and be charged to revenue in the period in which its goods or services were received. If expenditure does qualify as capital, there are opportunities to finance such spend from any capital receipts held or to spread the cost over future years in line with the life of the asset(s) purchased.
- 2.2. In the main, expenditure must meet one or more of the following conditions for it to be classified as capital:
 - Spend results in the acquisition, construction, or enhancement of an asset (tangible or intangible) in accordance with 'proper practices';
 - Spend meets one of the definitions specified in regulations made under the 2003 Local Government Act; or
 - The Secretary of State makes a direction that the expenditure can be treated as capital.

3. CONTEXT

- 3.1. The capital programme requirements of policing nationally are by nature limited in comparison to other public sector organisations such as local authorities who have diverse responsibilities to prioritise including schools, housing, and highways. Certainly, this is true of the Constabulary with capital expenditure plans largely limited to replacing and upgrading essential operational assets (for example, the estate, vehicles, equipment, and IT/communications infrastructure) together with individual ad-hoc capital investment schemes and those aimed at improving efficiency and operational performance/priorities.

- 3.2. One of the three key pillars of the Commissioner's Police and Crime Plan is 'Modernise', the other two being 'Listen to the Public' and 'Reduce Crime'. The capital strategy incorporates the Modernise pillar through the police estate and technology and innovation.
- 3.3. The Commissioner maintains rolling medium-term revenue and capital plans (summarised in a Medium-Term Financial Strategy – MTFS) that usually extend for 4-5 years. The plans are drawn up, reassessed and extended annually and if required, re-prioritised to enable the Constabulary to achieve the aims and objectives established in the Commissioner's Police and Crime Plan and to support national drivers like the Home Office national priorities.
- 3.4. Historically, capital grant funding was allocated by the Government, but this is no longer the case. As a result, the Commissioner now relies primarily on revenue contributions, capital receipts and reserves to fund essential annual replacement programmes such as vehicles, ICT, operational equipment and estate maintenance. However, these funding sources are not sufficient to meet the full capital requirement, and the availability of revenue contributions can vary from year to year depending on wider budget pressures. Consequently, the need to borrow has increased, with borrowing carrying ongoing costs in the form of interest payments and the statutory requirement to set aside funding for repayment. While the Commissioner continues to prioritise revenue contributions to reduce reliance on borrowing, their level cannot be guaranteed in future years. As such, borrowing will remain necessary and will generally be restricted to schemes that deliver clear operational benefits, efficiencies, or longer-term savings.
- 3.5. Key focuses of the Capital Programme plans, all aligned to achieving the Commissioners pillars above are:
 - To ensure the property estate remains modern and fit for the future; at the heart of and accessible to our communities, promoting police engagement in our communities, effective collaborative and partnership working and being innovative, economic, efficient, and sustainable.
 - To support front line operations by delivering high quality vehicles which are safe, fit for purpose and meet the needs of modern-day policing.
 - The replacement and upgrade of other core assets where necessary, e.g., operational equipment and communication infrastructure.
 - Development of improved capability and responsiveness.

- To ensure provision is made for Digital Business Technology to maintain and develop the existing infrastructure and invest in the core technologies, such as AI and data analytics, required to provide innovative digital policing services to maximise intelligence led policing.
 - Invest to Save Schemes.
- 3.6. The Commissioner maintains separate focussed long-term Estates, Environmental, Fleet and Digital/Agile Working strategies setting out the overall direction of these key areas and priorities, all of which feed into this overarching Capital Strategy.
- 3.7. The plans acknowledge the constrained financial position of the Commissioner and therefore, maximise both the available financial resources and the capacity that the Constabulary has to manage capital projects.
4. GOVERNANCE
- 4.1. The annual budget setting process is an ongoing process with key stakeholder groups assisting departmental managers to identify change proposals and develop business cases for future capital investment requirements and ideas aligned with the Police and Crime Plan priorities and the Constabulary's Plan on a Page.
- 4.2. Investment proposals must explicitly identify the organisational requirement, rationale, deliverables, benefits, links to the Commissioner's and/or Constabulary priorities, and costs in terms of both capital investment and ongoing revenue consequences.
- 4.3. Based on an agreed budget setting timetable, investment proposals will be submitted for presentation to and scrutiny review by the Senior Command Team (SCT) along with an initial view of potential affordability. Prioritisation is then made, taking into account the following in order of priority:
- Unavoidable (statutory, contractual, or tortuous liability);
 - Operational Need (enables continuity of agreed service delivery levels and priorities) and linked to the Force Management Statement;
 - Police and Crime Plan Improvement Priority;
 - Other (efficiency, invest to save, leverage of external funding, etc.).
- 4.4. An updated Medium-Term Financial Strategy (MTFS), including a proposed Capital Programme, is then presented to the Commissioner, providing views on affordability, potential funding issues and options.

- 4.5. A final version of the MTFS will be presented to the Commissioner for approval in January each year, reflecting the known funding position and any further developmental work on the plan. This formal approval agrees the capital budget for the following year and acknowledges the intention for planning purposes of the remaining years of the MTFS.
- 4.6. Any approved budget item, capital, or revenue can be 'starred' to reflect the Commissioner's agreement in principle, but no further action can be taken without further approval being obtained when more detailed plans are available.
- 4.7. Where in year additions to the approved Capital Programme are identified, a business case will be prepared and reviewed at SCT Business Meeting. The Senior Command Team will then submit to the Commissioner for consideration and approval, including details of how the new scheme is to be funded, delivered and benefits realised, noting any ongoing MTFS implications.
- 4.8. Currently approved Financial Regulations (Section 4.3) specify individual officer roles and responsibilities relating to the capital programme along with a number of key controls as follows:
 - Specific approval by the Commissioner for at least three-year capital programme which is the key document for planning and controlling of capital expenditure;
 - 'Starred' items require further approval before expenditure can be incurred;
 - Expenditure on capital schemes not included in the programme and/or which would involve future years' commitments is subject to the approval of the Commissioner;
 - Steps are taken to enable land required for the purposes of the programme to be acquired in due time;
 - A scheme and estimate, including the associated revenue expenditure, is prepared for each capital project for approval by the Commissioner;
 - Any scheme not commenced within two years of approval will be deemed null and void and removed from the capital programme;
 - Prudential Indicators covering affordability, capital expenditure, external debt and treasury management;
- 4.9. Following approval of the capital programme, a programme manager or project manager and a user representative are identified for each capital project. That individual is responsible for managing the project implementation and delivering its objectives. For all projects within the capital programme, a Chief Officer is identified as project sponsor.

- 4.10. Monitoring progress against capital schemes is reported on at least a quarterly basis to the SCT Business Meeting and to the Joint Management Board.
- 4.11. Once projects have been completed the programme or project manager completes a post-implementation review for the major capital projects. The post-project report is reviewed by the appropriate programme board and the Senior Command Team, if required.
- 4.12. This information can then be used to learn lessons and make any improvements identified during project implementation.

5. FUNDING STREAMS

- 5.1. Capital expenditure can be funded from a number of sources as set out below:
 - **Government Grants** – these are either general grants which can be used to fund any capital spend approved by the Commissioner or specific grants which can only be used to fund specific projects in line with any conditions placed with the grant – *note general capital grants are no longer provided*;
 - **Capital Receipts** – when an asset held by the Commissioner is sold, the proceeds are held in reserve to be used either to fund future capital expenditure or to repay debt. They cannot be used to fund revenue expenditure except where specifically approved by Central Government in line with strict flexible use of capital receipts rules for a limited period;
 - **Reserves** – funds can be set aside and held in earmarked reserves if known expenditure is to be incurred at a future date. These reserves can then be used to fund such expenditure be it capital or revenue. In terms of capital expenditure, it may be known that a specific asset may need replacing in 10 years and therefore funds are set aside each year to build up the reserve to fund the replacement. Details of the reserves held are found within the Commissioner’s Reserves Strategy;
 - **External Contributions** – these are funds or grants provided by external organisations such as collaboration partners or local authorities for specifically agreed capital expenditure; and
 - **Borrowing** – the Commissioner is permitted in law to take out loans or financing to fund capital expenditure. The Prudential Code sets out the requirements under which such borrowing must be undertaken including affordability, prudence, and cost-effectiveness. Any borrowing will incur costs for interest payable and the need to set aside sufficient funds to repay the loan. These costs impact on the revenue budget.

6. CAPITAL PROGRAMME

6.1. The following table shows the Commissioner's overall capital programme and how it is to be funded from 2026 to 2031. Please note that the figures quoted include both in-year approvals and schemes rolled forward from previous years. As such the table represents estimates of total capital expenditure in each year:

Table 1: Capital Strategy	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
Annual Replacement Schemes:					
Fleet Vehicles	4,000	3,578	4,060	1,647	3,493
IT and Communications	1,470	2,182	1,570	1,545	1,445
New Schemes:					
Estates - Maintenance & Environmental	882	825	600	500	400
Estates Strategy 2021-2031	12,062	935	0	0	0
IT and Communications	1,513	2,100	9,021	4,319	977
Operational Equipment	179	303	305	150	150
Collaboration/Funded Vehicles	419	1,295	33	81	725
Capital Expenditure	20,525	11,218	15,589	8,242	7,190
Financed by:					
Capital Receipts	5,500	1,670	0	0	0
Revenue Contributions to Capital	2,502	4,748	5,248	4,292	5,840
Revenue and Capital Reserves	178	450	0	0	0
External Contributions to Capital	107	384	15	37	329
HQ IT Reserve	294	294	294	294	294
Borrowing	11,944	3,672	10,032	3,619	727
Total Funding	20,525	11,218	15,589	8,242	7,190

7. AFFORDABILITY

7.1. Capital expenditure plans are a key driver of treasury management activity. The funding of such plans impacts on cash balances and borrowing need in the short and longer terms. The ongoing consequences of these decisions have a direct impact on the annual revenue budget. As such, having regard to the CIPFA Prudential Code for Capital Finance in Local Authorities, the Commissioner sets and reviews a number of prudential indicators showing the proposed capital expenditure plans, how they are to be funded, the impact on the organisation's finances and their affordability in terms of the impact on revenue budgets.

- 7.2. Full details and commentary on the prudential indicators are found within the Commissioner’s Treasury Management Strategy 2026/27. Along with controls and limits relating to levels of capital expenditure and resulting borrowing requirements, these prudential indicators also include a specific affordability indicator, below, which provides an indication of the impact of the above capital expenditure plans and their financing proposals on the overall finances and precept (council tax):

Treasury Management Strategy 2026/27

Table 5: Ratio of financing costs to net revenue funding.

2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate	2030/31 Estimate
1.13%	1.10%	1.56%	1.60%	1.81%	2.26%	2.44%

- 7.3. This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream. The estimates of financing costs include current commitments and the proposals included in the budget/medium-term financial strategy.
8. RISK MANAGEMENT
- 8.1. Risk is the threat that an event or action will adversely affect the Commissioner’s ability to achieve their desired outcomes and the Constabulary’s ability to execute their strategies successfully. Risk management is the process of identifying risks, evaluating their potential consequences, and determining the most effective methods of managing them and/or responding to them. It is both a means of minimising the costs and disruption to the organisation caused by undesired events and of ensuring that staff understand and appreciate the element of risk in all their activities.
- 8.2. The aim is to reduce the frequency of adverse risk events occurring (where possible), minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties. The corporate risk register sets out the key risks to the successful delivery of corporate aims and priorities and outlines the key controls and actions to mitigate and reduce risks or maximise opportunities.
- 8.3. To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced, and monitored. It is important to identify the appetite for risk by each scheme and for the capital programme as a whole, especially when investing in complex business change programmes. Where greater risks are identified as necessary to achieve desired outcomes, the organisation will seek to mitigate or manage those risks to a tolerable level. All key risks identified as part of the capital planning process are considered for inclusion in the corporate risk register.

- 8.4. The Chief Finance Officers (OPCC & Constabulary) will report jointly on the deliverability, affordability and risk associated with this Capital Strategy and the associated capital programme. Where appropriate they will have access to specialised advice to enable them to reach their conclusions.
- 8.5. Credit Risk - The risk that an organisation with which we have contracted to deliver capital projects becomes insolvent and cannot complete the agreed contract. We will ensure that robust due diligence procedures cover the appointment of partners and contractors relating to capital programme delivery. Where possible contingency plans will be identified at the outset.
- 8.6. Liquidity Risk - This is the risk that the timing of any cash inflows from a project will be delayed, for example if other organisations do not make their contributions when agreed. There is also a risk that the cash inflows will be less than expected, for example due to the effects of inflation, interest rates or exchange rates. Our exposure to this risk will be monitored via the revenue and capital budget monitoring processes and mitigating actions taken promptly where appropriate.
- 8.7. Interest and Exchange Rate Risk - This is the risk that interest rates or exchange rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Rates will be reviewed as part of the ongoing monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary, contract re-negotiations.
- 8.8. Inflation Risk - This is the risk that rates of inflation will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Rates of inflation will be reviewed as part of the ongoing monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary, contract re-negotiations.
- 8.9. Legal and Regulatory Risk - This is the risk that changes in laws or regulation make a capital project more expensive or time consuming to complete, make it no longer cost-effective or make it illegal or not advisable to complete. Before entering into capital expenditure or making capital investments, the Commissioner will understand the powers under which the investment is made. Forthcoming changes to relevant laws and regulations will be kept under review and factored into any capital bidding and programme monitoring processes.

8.10. Fraud, Error, and Corruption - This is the risk that financial losses will occur due to errors or fraudulent or corrupt activities. Officers involved in any of the processes around capital expenditure or funding are required to follow the agreed Code of Corporate Governance. The Constabulary has a strong ethical culture, which is evidenced through our values, principles, and appropriate behaviour. This is supported by the national Code of Ethics and detailed policies such as Anti-Fraud and Corruption and Declaration of Interests.

9. ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) CONSIDERATIONS

9.1. This Commissioner is supportive of the principles for responsible investment (www.unpri.org) and will seek to bring ESG factors into the decision-making process for investments. Within this, the Commissioner is also appreciative of the Statement on ESG in Credit Risk and Ratings which commits signatories to incorporating ESG into credit ratings and analysis in a systemic and transparent way. The Commissioner utilises the ratings provided by Fitch, Moody's, and Standard & Poor's to assess creditworthiness, which do include analysis of ESG factors when assigning ratings.

9.2. Typical ESG considerations that are considered by these Credit Rating Agencies when assigning credit ratings to counterparties, and therefore by the Commissioner when selecting investment and borrowing counterparties, include:

- Environmental: Emissions and air quality, energy and waste management, waste and hazardous material, exposure to environmental impact.
- Social: Human rights, community relations, customer welfare, labour relations, employee wellbeing, exposure to social impacts.
- Governance: Management structure, governance structure, group structure, financial transparency.

9.3. The Commissioner will continue to evaluate additional ESG-related metrics and assessment processes that could be incorporated into his investment process and will update accordingly.

10. CONCLUSION AND FUTURE ACTIONS

10.1. This Capital Strategy currently looks ahead over the next five years to 2031 together with the associated funding. Included is the current Estates Strategy 2021-2031 which recognises that planned changes to the estate's footprint require additional capital financing. The latest forecast cost in respect of the in-progress Crewe project, which will be completed during the period covered by the Capital Strategy, have been included. Also included are the costs for the upgrade of the Northern Stations. Any further major schemes associated with the strategy will be subject to

future business cases and no financial provision is therefore contained within this strategy. Provisional costs for the national ESN project have also been included as it may be completed in the next 5 years but there is significant uncertainty around costs and timing.

- 10.2. All capital expenditure will be subject to rigorous review to ensure that plans are affordable, prudent, and sustainable. The Strategy will be continually reviewed in light of emerging and changing local issues, circumstances and priorities and updated accordingly.

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Reserves Strategy 2026-27



Cheshire
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Introduction

Welcome to the 2026/27 Reserve Strategy.

Reserves are essentially savings accounts – they help manage financial risk and fund major future costs. As set out in the Strategy, we hold reserves for three main purposes:

- To cover unforeseen risks and expenditure that may be incurred outside of planned budgets – known as a general reserve
- To set-aside funds for specific purposes, known or predicted pressures or future liabilities – known as earmarked reserves
- To hold capital receipts from sale of assets. The use of which is restricted under legislation to the purchase of new assets or the repayment of debt.

The Strategy needs to balance the necessity for reserves against the cost to council taxpayers and arrive at a level that is both prudent and adequate for the current climate but not excessive.

Details of each reserve and how it will be used is explained in the Strategy together with a list of the reserves and the amount held in each.



**Chief Constable
Mark Roberts QPM**



**Police and Crime Commissioner
Dan Price**

RESERVE STRATEGY 2026/27

1. In addition to the requirements covering the robustness of estimates, Section 25 of the Local Government Act 2003 also requires the OPCC Chief Finance Officer to present a report assessing the adequacy of the unallocated reserves in the context of policing threats and demands together with corporate and financial risks facing the organisation. The Commissioner needs to balance the necessity for reserves against the cost to council taxpayers and arrive at a level that is both prudent and adequate for the current climate but not excessive.
2. The Reserves Strategy sets out the reserves held, their intended usage and the strategy for ensuring the funds are maintained at an appropriate level. Reserves are held for three main purposes:
 - a. To cover unforeseen risks and expenditure that may be incurred outside of planned budgets – known as a general reserve
 - b. To set-aside funds for specific purposes, known or predicted pressures or future liabilities – known as earmarked reserves
 - c. To hold capital receipts from sale of assets. The use of which is restricted under legislation to the purchase of new assets or the repayment of debt.
3. In addition to the above reserves, Cheshire Constabulary act as lead force for a number of regional collaborations for which it holds reserves. These reserves are owned by all regional partners on an agreed share basis in line with each collaboration agreement.
4. Over the past few years, the level of reserves held by all forces have been under scrutiny by the Home Office and it is now considered best practice to produce a reserve strategy covering the medium-term financial strategy (MTFS) period. The status of each reserve will be reported to Joint Management Board as part of the quarterly financial reports.
5. Based on the audited 2024/25 Statement of Accounts, £19.6m was held in reserves of which £2.1m belongs to the regional collaborations (of which Cheshire Constabulary is a partner and therefore part owner) and £2.1m was temporary funding carried forward (Carry Forward Reserve). Annex 1 sets out the proposed usage of the reserves over the next four years in line with MTFS plans together with other known commitments and liabilities. Reserves are forecast to decrease to £14.1m by the end of March 2026 (including

collaborations reserves at £1.2m) and be at £14.8m by March 2031 (including collaborations reserves of £1.2m).

6. As part of the Home Office scrutiny process; it classifies reserves in three main categories:
 - a. Funding for planned expenditure on MTFS projects and programmes
 - b. Funding for specific projects and programmes beyond the current MTFS timeline
 - c. Those held as a general contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management.

Annex 2 provides analysis of the reserves in line with the above.

7. The purpose of each reserve is set out below:

Please note: Reserves with a nil balance and no expected ongoing purpose are not included in this strategy.

General Reserves

The purpose of general reserves is to provide funding to cover specific and general risks identified in setting the budget but also in recognition of unforeseen risks and expenditure that may arise in-year. Given the current levels of threats and demands facing policing the amount held in this reserve is deemed both prudent and adequate.

Basis of Transactions:

Best practice states that the prudent level for this reserve is 3% of the net revenue budget. Should the reserve fall below this level, any underspends in the current financial year will be transferred up to the amount required to maintain the 3%. If such underspends are insufficient or not available, then a provision will be made in the next budget to cover any shortfall.

Use of this reserve is subject to approval by the Commissioner and is generally limited to funding unrecoverable overspends if they are not containable within existing funding and contingencies or other earmarked reserves.

Medium Term Financial Strategy (MTFS) Reserve

The origins of this reserve dates back to the start of the austerity programme and has been successfully used to support transition, implementation costs of transformational changes together with 'invest to save' projects. With increasing demands, the implementation of Digital Policing and the level of

uncertainty over future funding, this reserve will provide some mitigation to these risks and challenges. This reserve also forms part of the 3% calculation as stated in the General Reserves above.

Basis of Transactions:

Any request for funding from this reserve will be subject to a business case setting out the proposal and the deliverable benefits, including wherever possible cashable savings. Such business cases will be presented to SCT Business Meeting for initial endorsement and then through Joint Management Board for approval from the Commissioner.

Earmarked Reserves:

Proceeds of Crime Community Fund Reserve

Money seized under the Proceeds of Crime Act (POCA) 2002 are managed through a process called ARIS – Asset Recovery Incentivisation Scheme. As part of this scheme, all agencies involved with the seizures receive a share of the funds. These are held in this reserve.

Basis of Transactions:

The first call on monies seized under the Proceeds of Crime Act (POCA) will be the funding of Economic Crime Unit (ECU) financial investigators and Legal Services costs of managing subsequent court proceedings to recover POCA. The contribution towards ECU was originally agreed as part of the 2022/23 budget to meet the cost of up to four investigators and the associated legal costs. This will increase annually at the same level as the police staff pay award. This reflects the intention and commitment to further drive-up performance on asset recovery.

The second call will remain as the Commissioner's Community Fund (SWAP Fund). A contribution of £200,000 was agreed for 2025/26 and this level is carried forward to 2026/27. This reflects the commitment to community projects.

Existing funding commitments will be maintained in line with the previously agreed business case. Any additional funding will be placed in the POCA reserve. It will primarily be used to fund projects and activity to the benefit of communities affected by crime in line with the Commissioner's Police and Crime Plan. Agreement on its usage will be through a management decision made by the Commissioner. Any bids to utilise POCA funding will require a business case to be submitted to the Commissioner which clearly shows how the proposal will benefit those communities affected by crime. Usage of the totality of the POCA

monies remain at the discretion of the Commissioner as the recipient of funding.

Pay and Pensions Reserve

There are currently several issues in relation to pay and pensions that could impact on the revenue funding, including the McCloud ruling (see financial risks below). The level of administration to service these is considerable and the uncertainty of ongoing costs resulted in this reserve being created. A further £515k of funding has been set aside in 2026/27 to cover the remaining costs of the McCloud ruling and also future uncertainties around pay and pension costs.

Basis of Transactions:

Utilisation of this funding is linked to the costs and support required in both HR and Finance to service the McCloud issues. Approval is granted each year as part of the budget setting process. Additional use in year of this reserve for other pay and pension issues will be presented to SCT Business Meeting for initial endorsement and then through Joint Management Board for approval from the Commissioner.

Major Investigations Reserve

This reserve holds funds to contribute towards the costs of ongoing Major Investigations in accordance with the terms and conditions of any grants.

Basis of Transactions:

This is restricted under the grant agreement to fund the specified operation and is reported accordingly.

Council Tax Deficit Reserve

This reserve holds funds received from Government towards irrecoverable Council Tax income losses associated with the coronavirus pandemic. It is held to mitigate against future resulting Council Tax Collection Fund deficits as they are declared by billing authorities.

Basis of Transactions:

This reserve will be applied to council tax collection fund deficits until such times that the deficits have ceased, or the grant is fully utilised. Should the collection funds return to balanced or surplus before the grant is fully utilised, any balance will be transferred to general reserves.

Estates Strategy Reserve

Funding was set aside to support the Estates Strategy including the Headquarters PFI expiry work due to the contract ending in 2033/34.

Basis of Transactions:

Approval for the use of this funding is reserved to the Commissioner and restricted to supporting the delivery of the Estates Strategy. Any call on this reserve is subject to a report to Joint Management Board and Commissioner approval.

Road Safety Initiatives Reserve

This reserve holds funds set aside to enable the commissioning of projects incorporating road safety initiatives including the deployment of average speed cameras and other operational road safety measures.

Basis of Transactions:

Use of this funding is subject to a report to Joint Management Board setting out the proposals and is subject to agreement from the Commissioner and Chief Constable.

Commissioning Reserve

The Commissioner bids for and receives specific grants and funding to support victims and other key priorities such as Violence against Women and Girls. Some of these projects cover more than one financial year and this reserve is used to hold such funding until it is utilised.

Basis of Transactions:

Use of this funding is at the discretion of the Commissioning Officer within the Office of Police and Crime Commissioner in consultation with the Commissioner's Chief Finance Officer.

Emergency Services Network (ESN) Reserve

The Emergency Services Network (ESN) programme is a national initiative to replace the existing Airwave communication system with a new 4G-based critical communications service. The programme continues to experience significant delays, and current national planning indicates that implementation is now expected towards the end of the decade, rather than within the original timescales.

Airwave, which had been scheduled for closure in 2026, has now been extended until 2029, with the Home Office confirming that the service will remain operational for as long as necessary to ensure continuity of critical communications during the transition period. As a result, there is no immediate requirement to utilise this reserve, and it is anticipated that it will not be called upon in the short to medium term.

Given the level of uncertainty that remains around the national programme's timetable, procurement approach and future funding model, the reserve will be retained until a clearer position is established and any future local obligations become known.

Basis of Transactions:

Within the reserve, grant funding is held for use in line with the terms and conditions of the grant. Until such times as a clearer national position is available no further funding will be added to this reserve.

Revenue Reserve for Capital

In recognition of the removal of Government funding for capital investments, the MTFS includes a contribution each year towards the costs of such investment in order to mitigate the level of borrowing required. This contribution will be held in this reserve and applied as capital spend is incurred. This reserve is for the general funding of capital, especially those annual replacement schemes such as Fleet and Digital Technology.

Basis of Transactions:

This reserve supports the funding of the approved capital programme. Its use is initially set out at the start of the financial year through the Investment Strategy and reported on throughout the year as part of the quarterly financial reports. Final actual application of the reserve is undertaken at year-end and reported in the outturn report.

Collaboration Reserves:

Armed Police Alliance

This reserve has arisen from underspends in previous financial years due to high turnover of officers. It is being utilised to support training, ammunition and other expenditure to support the training of new trainees to replace these officers.

Local Resilience Forum

Cheshire Resilience Forum partners work together to prepare for emergencies, including Cheshire Constabulary, Cheshire Fire and Rescue Services and local authorities. The reserve is held to support strategic training and as a contingency for unforeseen pressures.

Underwater Search Unit

Funding held on behalf of all partners for future demands – e.g., replacement of the boat, vehicles, and equipment as part of an asset replacement strategy.

North West Armed Policing (NWAP)

Held to support our regional obligations within the North West Armed Policing collaboration. This reserve ensures that we can meet unforeseen operational costs, partnership commitments, and contributions arising from joint armed policing activity across the North West region.

For all Collaboration Reserves – Basis of Transactions:

The use of any of the above reserves are subject to approval by all relevant partners and the agreed governance routes as set out in the S.22 Agreements.

KEY RISKS

8. There are a number of uncertainties and risks over the next few years that hold the potential of significant financial impact including the on-going effect of the coronavirus pandemic. Uncertainty over funding as a result makes planning difficult and reserves are a key tool in providing flexibility to deal with this challenge.
9. The following set out key financial risks that may impact on reserves:
 - a. Government funding remains uncertain in the medium term. Although a Spending Review was conducted in June 2025, the forthcoming Police Reform White Paper (expected January 2026) introduces further potential changes and therefore uncertainty. As a result, the MTFS continues to be challenging, with significant risks in an unsettled economic environment. Reserves will be required to support the budget and to deliver savings targets.
 - b. Claims of unlawful discrimination were made in relation to the changes to the Judiciary and Firefighters Pension regulations and in December 2018 the Court of Appeal (McCloud / Sargeant) ruled that the 'transitional protection' offered to some members as part of the reform to public sector pensions amounts to unlawful discrimination. Significant work is required to facilitate the fallout of this ruling and there is a degree of uncertainty over the costs and funding going forward. Initial costings are now known, and the Pay and Pensions reserve utilised to fund these. However, there are further costs expected including 'compensation'. The value of these and their ultimate funding remains uncertain.

FORWARD STRATEGY

10. The foremost principle of holding reserves remains affordability versus risk. To set aside reserves for all potential risks scenarios that may arise would be prohibitively expensive and result in demands on council taxpayers considerably higher than likely need.
11. The strategy for General Reserves is to maintain the reserve at a level equivalent to approximately 3% of the net revenue budget, recognising this as an appropriate balance between financial resilience and efficient use of public funds. The level of the reserve will be reviewed annually following the agreement of the budget for the forthcoming financial year.
Where the balance of General Reserves exceeds the target level, the surplus may be released to support capital investment, thereby reducing the need for borrowing and mitigating associated revenue impacts. Conversely, if the reserve falls below the target, the shortfall will be addressed through future financial planning, including consideration as a first call on any in-year underspends or through budget proposals in subsequent years.
It is recognised, however, that operational priorities, in-year pressures and the wider financial environment may mean that adjustments are not always achievable within a single budget cycle. In such circumstances, the General Reserve will be managed to return to target levels over a pragmatic and sustainable timeframe.
12. Earmarked reserves are reviewed quarterly and reported to the Commissioner as part of the formal financial reviews. The reviews will consider the purpose of the reserve, the risks they are designed to mitigate and the current and future demands. Any reserve deemed no longer required will be returned to general reserves.
13. Strategic risks are monitored through SCT Business Meeting, Joint Management Board and Joint Audit Advisory Committee. Any new risk or significant change to existing risks will be monitored with any impact on reserves presented to SCT Business Meeting for recommendation to the Commissioner for the creation or adjustment to Earmarked Reserves.
14. Capital reserves are the primary source of funding for all capital investments and are therefore linked to the approved capital strategy. The use of such reserves is designed to cover short-life assets, limiting the need to borrow over short periods.

15. Capital receipts of more than £10,000 from the sale of assets can only be used to fund future capital investment or the repayment of debt. Receipts of less than £10,000 can be returned to revenue budget.
16. General capital grants have not been allocated for several years, it is, therefore, appropriate to forward plan on that basis. To meet the minimum asset replacement cycles, a revenue contribution is made each year into Revenue Reserve for Capital reserve and used towards financing that year's capital programme, subject to the availability of revenue resources.

RESERVES HELD

	2025/26			2026/27			2027/28			2028/29			2029/30			2030/31		
	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000
General Reserves: Revenue																		
Police Fund - General Reserve	£0	£0	£5,773	£0	£0	£5,773	£0	£0	£5,773	£0	£0	£5,773	£0	£0	£5,773	£0	£0	£5,773
MTFS Reserve	-£116	£0	£2,965	£0	£0	£2,965	£0	£0	£2,965	£0	£0	£2,965	£0	£0	£2,965	£0	£0	£2,965
	-£116	£0	£8,738	£0	£0	£8,738	£0	£0	£8,738	£0	£0	£8,738	£0	£0	£8,738	£0	£0	£8,738
Earmarked Reserves: Revenue																		
Carry Forwards Reserve	-£2,071	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
POCA Reserve	-£252	£0	£452	£0	£0	£452	£0	£0	£452	£0	£0	£452	£0	£0	£452	£0	£0	£452
Hardship Loan Reserve	-£50	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Pay and Pensions Reserve	-£101	£0	£200	£515	£0	£715	£0	£0	£715	£0	£0	£715	£0	£0	£715	£0	£0	£715
Major Investigations Reserve	£300	£0	£1,481	-£537	£0	£944	£0	£0	£944	£0	£0	£944	£0	£0	£944	£0	£0	£944
Council Tax Deficit Reserve	-£73	£0	£696	£307	-£1,003	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Estates Strategy Reserve	£0	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500
Road Safety Initiatives Reserve	-£100	£0	£248	-£125	£0	£123	-£123	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Commissioning Reserve	-£250	£0	£277	-£100	£0	£177	-£100	£0	£77	£0	£0	£77	£0	£0	£77	£0	£0	£77
IT Reserve	-£291	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	-£2,888	£0	£3,854	£60	-£1,003	£2,911	-£223	£0	£2,688	£0	£0	£2,688	£0	£0	£2,688	£0	£0	£2,688
Earmarked Reserves: Capital																		
Capital Receipts	£0	-£112	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
ESN Reserve	£0	£0	£226	£0	£0	£226	£0	£0	£226	£0	£0	£226	£0	£0	£226	£0	£0	£226
Revenue Reserve for Capital	£1,593	-£3,171	£0	£2,609	-£2,609	£0	£5,132	-£5,132	£0	£5,263	-£5,263	£0	£5,785	-£4,329	£1,456	£6,577	-£6,169	£1,864
	£1,593	-£3,283	£226	£2,609	-£2,609	£226	£5,132	-£5,132	£226	£5,263	-£5,263	£226	£5,785	-£4,329	£1,682	£6,577	-£6,169	£2,090
Collaboration Reserves:																		
Armed Police Alliance Reserve	-£123	£0	£343	£0	£0	£343	£0	£0	£343	£0	£0	£343	£0	£0	£343	£0	£0	£343
Local Resilience Forum Reserve	-£380	£0	£28	£0	£0	£28	£0	£0	£28	£0	£0	£28	£0	£0	£28	£0	£0	£28
UWSU Reserve	£13	-£318	£837	£0	£0	£837	£0	£0	£837	£0	£0	£837	£0	£0	£837	£0	£0	£837
NWAP Collaboration	-£10	£0	£40	£0	£0	£40	£0	£0	£40	£0	£0	£40	£0	£0	£40	£0	£0	£40
	-£500	-£318	£1,248	£0	£0	£1,248	£0	£0	£1,248	£0	£0	£1,248	£0	£0	£1,248	£0	£0	£1,248
TOTAL RESERVES	-£1,911	-£3,601	£14,066	£2,669	-£3,612	£13,123	£4,909	-£5,132	£12,900	£5,263	-£5,263	£12,900	£5,785	-£4,329	£14,356	£6,577	-£6,169	£14,764

RESERVES HELD - Home Office classification

	2025/26			2026/27			2027/28			2028/29			2029/30			2030/31		
	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000
General Reserve / Contingency:																		
Police Fund - General Reserve	£0	£0	£5,773	£0	£0	£5,773	£0	£0	£5,773	£0	£0	£5,773	£0	£0	£5,773	£0	£0	£5,773
MTFS Reserve	-£116	£0	£2,965	£0	£0	£2,965	£0	£0	£2,965	£0	£0	£2,965	£0	£0	£2,965	£0	£0	£2,965
	-£116	£0	£8,738	£0	£0	£8,738	£0	£0	£8,738	£0	£0	£8,738	£0	£0	£8,738	£0	£0	£8,738
Funding for Projects/Programmes - current MTFS																		
Armed Police Alliance Reserve	-£123	£0	£343	£0	£0	£343	£0	£0	£343	£0	£0	£343	£0	£0	£343	£0	£0	£343
Capital Receipts	£0	-£112	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Carry Forwards Reserve	-£2,071	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
ESN Reserve	£0	£0	£226	£0	£0	£226	£0	£0	£226	£0	£0	£226	£0	£0	£226	£0	£0	£226
POCA Reserve	-£252	£0	£452	£0	£0	£452	£0	£0	£452	£0	£0	£452	£0	£0	£452	£0	£0	£452
Hardship Loan Reserve	-£50	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Pay and Pensions Reserve	-£101	£0	£200	£515	£0	£715	£0	£0	£715	£0	£0	£715	£0	£0	£715	£0	£0	£715
IT Reserve	-£291	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Local Resilience Forum Reserve	-£380	£0	£28	£0	£0	£28	£0	£0	£28	£0	£0	£28	£0	£0	£28	£0	£0	£28
Revenue Reserve for Capital	£1,593	-£3,171	£0	£2,609	-£2,609	£0	£5,132	-£5,132	£0	£5,263	-£5,263	£0	£5,785	-£4,329	£1,456	£6,577	-£6,169	£1,864
UWSU Reserve	£13	-£318	£837	£0	£0	£837	£0	£0	£837	£0	£0	£837	£0	£0	£837	£0	£0	£837
Major Investigations Reserve	£300	£0	£1,481	-£537	£0	£944	£0	£0	£944	£0	£0	£944	£0	£0	£944	£0	£0	£944
NWAP Collaboration	-£10	£0	£40	£0	£0	£40	£0	£0	£40	£0	£0	£40	£0	£0	£40	£0	£0	£40
Council Tax Deficit Reserve	-£73	£0	£696	£307	-£1,003	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Estates Strategy Reserve	£0	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500
Road Safety Initiatives Reserve	-£100	£0	£248	-£125	£0	£123	-£123	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Commissioning Reserve	-£250	£0	£277	-£100	£0	£177	-£100	£0	£77	£0	£0	£77	£0	£0	£77	£0	£0	£77
	-£1,795	-£3,601	£5,328	£2,669	-£3,612	£4,385	£4,909	-£5,132	£4,162	£5,263	-£5,263	£4,162	£5,785	-£4,329	£5,618	£6,577	-£6,169	£6,026
TOTAL RESERVES	-£1,911	-£3,601	£14,066	£2,669	-£3,612	£13,123	£4,909	-£5,132	£12,900	£5,263	-£5,263	£12,900	£5,785	-£4,329	£14,356	£6,577	-£6,169	£14,764

Contact

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JOINT MANAGEMENT BOARD

DECISION NO. 2026/06 | **DATE: 28 January 2026**

FEES AND CHARGES HANDBOOK 2026

Executive Summary:
 The Fees and Charges Handbook was last approved in January 2025 to cover charges for the 2025 period.

The National Police Chiefs’ Council (NPCC) have recently published national guidelines on charging for police services in 2026 and subsequently the Fees and Charges Handbook has been updated to reflect the NPCC’s statutory and recommended fees and charges. In addition, a review of local discretionary fees and charges has been conducted by the Constabulary.

Recommendations:

That the revised fees and charges as set out in Appendix 1, be approved.


We have reached the following decision:

To approve the recommendation.

Our rationale for this decision is:


The updated handbook is in-line with the nationally agreed charging structure and reflects the annual review of fees and charges, which now takes place based on calendar year running from 1 January to 31st December.

Signature **Date 28 January 2026**



Police & Crime Commissioner

Signature **Date 28 January 2026**



Deputy Chief Constable

PART 1 – NON-CONFIDENTIAL FACTS AND ADVICE

INTRODUCTION AND BACKGROUND

1. The police service is generally provided out of public funds for the benefit of the public at large. However, there is a limited range of activities where it is appropriate for the service to make charges to individuals or organisations to recover costs.
2. The Police Act 1996 (Sections 25 and 26) and the Police Reform and Social Responsibility Act 2011 (Section 15) provide the main legal basis for charging. The National Police Chiefs' Council (NPCC) guidance on this legislation is provided in the 'National Policing Guidelines on Charging for Police Services' document which was originally approved by ACPO Cabinet in July 2010 and is reviewed and updated annually.
3. **Appendix 1** contains the proposed 2026 Fees and Charges Handbook, which has been updated to reflect changes to statutory, national, and local rates.
4. **Appendix 2** is a summary of changes to the rates chargeable.
5. The recommended rates provided by the NPCC have generally increased by around 3.8%, except for special police service charges which incorporate pay award increases.
6. An inflationary increase of 3.8% has been applied to local discretionary rates unless, through consultation with departments, an alternative rate is proposed.
7. Within the common items, family court and vehicle collision sections there are increases above 3.8% to the occurrence summary and officer pocketbook (PNB) rates which are now benchmarked to the NPCC limited particulars rate, considering their similarity in terms of level of content and redaction required.
8. In addition, the incident log and occurrence enquiry log rates are based on time spent by career graded staff who are now mainly at the top of scale therefore, the increased rate reflects more realistic cost recovery.
9. The MG5 offence report rate is now benchmarked to the NPCC witness/victim/police statement rate to recognise the requirement to review the whole investigation (witness evidence, interviews, exhibits), therefore akin to a professional report. Similarly the sexual offences booklet is also benchmarked here due to the amount of very sensitive personal information requiring careful review and redaction.
10. Digital interviews/video interviews were previously benchmarked to the NPCC copy audio tapes rate but given that all interviews are now digital and involve review and redaction, a more appropriate benchmark of the NPCC request for information (up to 2 hours work) has been applied.
11. Also within the common items, family court and vehicle collision sections there are a couple of removed fees for items that are no longer provided and the addition of some new rates. Rather than representing new requests, they reflect items previously charged under other headings but, to provide administrative clarity, are now shown separately.
12. Driver Offender Retraining course fees were increased to the rates shown in Appendix 2 from June 2025. There is no current plan to increase these further as they remain comparable with other forces.

13. The vehicle servicing rate has increased by more than the standard inflation as this rate has not changed for several years and costs in this area are known to be rising.
14. **Appendix 3** is a summary of income received in relation to each category of charge over the course of 2025/26 to date to provide further context to the various rates charged.

FINANCIAL COMMENTS

15. Income generated from fees and charges has been reflected in the 2026/27 budget. Income generation will be monitored during the year with consideration to the revised rates and incorporated within budget monitoring reports.

LEGAL COMMENTS

16. There are no specific legal comments associated with the report.

EQUALITY COMMENTS

17. There are no specific equality comments associated with the report.

BACKGROUND DOCUMENTS

Document Titles
None

<p>Public access to information <i>Information in this form is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.</i></p>
Is there a Part 2 form - No
Contact Officer: Bill Malloy, Chief Finance officer (Constabulary) Tel. No.: 07879 470810 Email: william.malloy@cheshire.police.uk

CHIEF OFFICER DECLARATION (Chief Finance Officer – Bill Malloy):	
<i>I have reviewed the proposal and I am satisfied it is correct, all relevant internal checks have been undertaken and it is an appropriate request to be submitted to the Police & Crime Commissioner.</i>	
Signature	<i>Bill Malloy</i> Date 27 January 2026

CHIEF FINANCE OFFICER DECLARATION (Clare Hodgson):	
<i>I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the presentation of this report. I am satisfied that this is an appropriate request to be submitted to the Police & Crime Commissioner.</i>	
Signature	<i>Clare Hodgson</i> Date 27 January 2026



**Cheshire
Constabulary**

Fees and Charges Handbook

**1 January 2026
to
31 December 2026**

Version 1.0

OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026

Contents	Rates	Page
Preface		3
VAT Treatment		3
Alarm Registrations	NPCC	4
Cheshire Bikesafe Courses	National	5
Common Items	NPCC and Local	5
Civil Courts and Tribunals	NPCC	5
Civil Family Court Proceedings Charges	NPCC and Local	6
Driver Offender Retraining Courses	Local	6
Fingerprint Fees	NPCC	7
Filming/documentaries	Local	7-8
Firearms Licensing	Statutory	8
Freedom of Information Act Fees	NPCC	9-10
Hire of Tactical Training Centre	Local	10
Home Office Other Charges	NPCC	11
Identity Checking Service	Local	11
Immigration Charges	NPCC	11
National Guidance on Data Sharing for NPCC in respect of Association of British Assures (ABI)	NPCC	11
Other Requests for Information	NPCC	12
Requests for Services not Listed Elsewhere	Local	12
Special Police Services and Local Authority Rates	NPCC	12-14
Vehicle Servicing Charges	Local	14
Vehicle Costs for Escorting Abnormal Loads	NPCC	15
Vehicle Removal, Storage and Disposal	Statutory	15-16
Vehicle Collision Information including Forensic Collision Investigation	NPCC and Local	17-18
Cancellation charges	Local	18

OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026

Preface

This handbook is designed to provide guidance on the charges and fees to be levied by Cheshire Constabulary. Its contents have been reviewed and approved by the Police and Crime Commissioner and as such are the only officially approved charges currently in force.

Use of Handbook

The rates in this handbook apply to services provided 1 January 2026 to 31 December 2026 irrespective of the date of the original request.

Treatment of Value Added Tax (VAT)

Section 25 of the Police Act 1996 permits a chief police officer to provide, if requested by the owner of premises or the organiser of an event, special services at those premises and events in the police area, and to charge for these services. Where this happens, the services are provided under a special legal regime, but the question is whether they are nonetheless provided in competition with the private sector – in which case they are within the scope of VAT.

There are situations where it is accepted that only a police officer can provide the requisite service and thus it is not possible for the owner of the premises or the organiser of the event to use a private sector alternative. These fall into three broad categories and would not be subject to VAT:

1. Where only the police can perform the task.
2. Where the recipient of the service has no option but to use police officers, because the Chief Constable stipulates this condition (so private security firms cannot compete).
3. Where the recipient of the service cannot comply with its legal or other obligation without using police officers (so in theory they could hire private security guards, but this would be insufficient to comply with a legal requirement).

However, in other situations where the owner of the premises or the organiser of the event has an option either to use the services of police officers or to use the services of – for example – stewards or private security guards, then the supply by the police is within the scope of VAT (and normally it will be standard rated).

Please obtain VAT guidance from the Finance Services Team if you are unsure as to VAT treatment.

OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026

Alarm Registrations – NPCC Rates

The following NPCC approved charging structure is adopted by all police forces seeking to recover administration costs in respect of registration of security systems which terminate at a recognised Alarm Receiving Centre (ARC), Remote Video Response Centre (RVRC) for CCTV and System Operating Centre (SOC) for vehicle tracking. The administration fee is payable for:

- New Unique Reference Number (URN) applications
- New occupiers/owners of premises taking over existing security systems (system retains false alarm history unless upgraded to DD243 2004 or current BS8243 standard)
- Existing user changing security company (system retains false alarm history unless upgraded to DD243 2004 or current BS8243 standard)

Where a security company cancels a URN, a period of 28 days grace should be given to allow another security company to take over the URN.

Where a security company applies to take over a URN from an existing company and/or Maintenance Contract, they may do so supported by the customer’s authority.

The administration fee is not applicable when:

- A security company takes over another security company.
- A security company ceases to trade and another company takes over the URNs within 28 days
- Premises change name only. (Evidence will be required to ensure it is a change of name only and not change of owner/user)

	01/01/26- 31/03/26 £	01/04/26 Onwards £
Alarm Registration (Intruder)	56.70	58.90
Alarm Registration (Hold Up Alarm)	56.70	58.90
Existing system takeover – single	55.60	57.70
Existing system takeover – multiple	79.60	82.60

For Lone Worker Devices (LWDs), The ARC may apply to the relevant police force for a URN, if the conditions of the NPCC Police Response to Security Systems (Police Requirements for Lone Worker Services) are complied with. The cost of the URN will depend on the number of systems monitored, as detailed in the table below.

	01/01/26- 31/03/26 £	01/04/26 Onwards £
Lone Worker Devices up to 10,000	68.60	71.20
Lone Worker Devices 10,001 – 50,000	102.80	106.70
Lone Worker Devices 50,001 and over	137.10	142.30

OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026

The charges in this section are based on the Police Operational Advice and Security Industry Requirements for Response to Security Systems document issued by the NPCC.

VAT is charged at standard rate 20%

Cheshire Bikesafe Courses – National Rate

External company charge to customer £84

Exempt from VAT 0%

Common Items – NPCC and Local Rates

Where not otherwise stated or subject to an NPCC Memorandum of Understanding, the following charges apply: -

	NPCC Rate £	Local Rate £
Crime Report	118.70	
MG5 – Offence Report		74.20
MG4 – Caution Certificate		30.90
Incident Log (CAD/SAAB)		97.60
Occurrence Enquiry Log – per log		97.60
Domestic Violence Report	71.30	
Occurrence Summary		46.40
Custody Record	23.90	
Copy of MG11 – Witness/Victims/Police Statement	74.20	
Copy of interview record/MG15	74.70	
Administration fee for re-issuing disclosure		51.90
999/101 audio calls		118.40

VAT is non business rate 0%

Civil Courts & Tribunals – NPCC Rates

The following charges are a minimum rate, as recommended within National Policing Guidelines on Charging for Police Services.

	£
Interview with a Police Officer	188.30
Statement to be written by a Police Officer	188.30

The above minimum rate is for the first 2 hours. Thereafter, the charge is on an hourly basis at full economic cost recovery rates.

VAT is non business rate 0%

OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026

Civil Family Court Proceedings Charges – NPCC and Local Rates

Details of Cheshire Constabulary records, material and fees payable for disclosure of police information regarding civil family court proceedings: -

Information – In each case a decision will be made by police in relation to the editing of documents provided. Fees are per item	NPCC Rate £	Local Rate £
Police National Computer Records (antecedents) – per record		47.30
Niche – schedule of relevant and non-relevant occurrences		74.70
Occurrence Enquiry Log – per log		97.60
Copy of MG11 – Witness/Victims/Police Statement	74.20	
Digital Interviews / Video Interviews – per interview		118.40
Copy of Interview Record / MG15 (only where prepared during investigative process)	74.70	
Professional Reports (such as Medical, PPO or Intermediary)		74.20
MG5 - Offence Report		74.20
CSI Photographs – per bundle	38.50	
All Exhibit Photographs / Screenshots & other miscellaneous documents (per page)		5.80
Officer Pocket Book / Day Books Entries		46.40
Body Worn Video Footage / CCTV / Doorbell Footage		118.40
Sexual Offences Booklet		74.20
MG12 Exhibit List		47.30
Administration fee for re-issuing disclosure		51.90
999/101 audio calls		118.40
Vulnerable Person Report (VPA)		46.40
Court Result/Trial Results		47.30

VAT is non business rate 0%

Driver Offender Retraining Courses – Local Rates

Educational training courses offered as an alternative to prosecution for minor road traffic offences.

	£
National Motorway Awareness Course	90.00
National Speed Awareness Course	90.00
What's Driving Us?	90.00
Safe and Considerate Driving Course	175.00

Exempt from VAT

OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026

Fingerprint Fees – NPCC Rates

Charges for the provision of a fingerprinting service to the public.

	£
One set	105.20
Additional Sets thereafter (each)	52.60

VAT is charged at standard rate 20%

Filming/documentaries – Local Rates

Charges for production companies will be agreed with the Head of Corporate Communications or the External Communications Manager in parallel with an Access Agreement in place, where required.

Revisions to the charging scheme will be reviewed on an annual basis in-line with inflation.

Charging Schedule for Documentaries/ Filming		
Description	Notes	Local Charges
Long term (>3 – 12 months with option of rollover agreement) Requiring access to specified operations/ investigations/locations	Documentary film	Flat fee of £12,000/year + £5,000 (per episode/film) on first broadcast
	Speculative filming (focused but not pre-defined)	
	Production of one or more pieces of collateral	
Short term access (<3 months) Requiring access to specified operations/ investigations/locations	Documentary film	Flat fee of £6,000 + £3,000 (per episode/film) on first broadcast.
	Speculative filming /pre-defined	
	Production of one or more pieces of collateral	

For one off filming: Interviews with Police Officers and Police Staff

Cheshire Constabulary will charge documentary and film makers for the whole time that an officer or member of staff is required as part of any recording, including being interviewed or supporting recording.

These charges reflect the fact that during the recording process, the officer or member of the staff is unavailable for operational policing duty.

Charges are dependent on the officer or staff member's rank. Please refer to Special Police Service Charges on pages 12-14 of the handbook.

Any time supported by a member of the force's Corporate Communications department during filming will not be charged.

OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026

Using Police sites as a location for one-off filming

Specific access and fees will need to be agreed on a case-by-case basis with the External Communications Manager - Corporate Communications, taking into account the requirements of individual projects.

If the filming organisation requests the use of a Force crest, this will be negotiated on an individual basis, subject to further charges and appropriate vetting undertaken.

VAT is charged at standard rate 20%

Expenses incurred by Police Officers and Police Staff

Cheshire Constabulary charges documentary and film makers for expenses incurred by an officer or staff member during filming. This may include, but is not limited to, parking charges, mileage costs, food and drink and expenses incurred by the Corporate Communications department to support recording.

- Price per Digital material £32.50.
- Price per physical item: Physical photograph £33.60; Videos on DVD £100.90.

There is also a charge for the time it takes to collate and/or edit/redact the material, where required. Charges are dependent on the officer or staff member's rank using the rates on pages 13 and 14 of the handbook.

Firearms Licensing – Statutory Charges

	£
Firearms Certificate Grant	198
Firearms Certificate Renewal	131.00
Firearms Certificate Replacement	9.00
Shotgun Certificate Grant	194.00
Shotgun Certificate Renewal	126.00
Shotgun Certificate Replacement	9.00
Shotgun Certificate Grant (co-terminus/including Firearms Certificate)	202.00
Shotgun Certificate Renewal (co-terminus/including Firearms Certificate)	155.00
Visitors Permit (Individual 1-5) per person	47.00
Visitors Permit (Group 6-20) in total	233.00
Home Office Club Approval*	84.00
Registered Firearms Dealer registration	466.00
Registered Firearms Dealer renewal	466.00
Games Fairs	30.00
Variation (not like for like)	47.00
Firearms Museum License	200.00

VAT is non business rate 0%

OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026

Freedom Of Information Act Fees – NPCC Rates

NPCC Best Practice advice has been issued regarding charging for the delivery of items under the Freedom of Information Act 2000 (FOI). The guidance indicates that when dealing with FOI requests, Police forces can charge two types of fees based on:

- Marginal Costs
- Additional Costs

Marginal Costs

Where the cost of dealing with a request is less than £450, the information is provided free of charge.

Costs included in the £450 limit are:

- Time taken in determining whether the information is held;
- Time taken in locating and retrieving the information;
- The first full reading of the information by the FOI decision-maker;
- Time taken in extracting information to be disclosed from other information;
- Time taken in communicating information including time spent writing a response to a request; and
- Time spent making arrangements for an applicant to view documents, books and videos or electronically held information.

Costs not included in the £450 limit are:

- Time taken to make a decision as to whether the material should be exempt under the Act;
- Time taken in obtaining authorisation to send out the information;
- Time spent obtaining the consent for disclosure from another public authority or any individual or organisation and
- Any overheads.

Additional Costs

Police forces may pass on the full cost of additional costs incurred in responding to an application, to the requestor. Additional costs include:

- Photocopying or printing material;
- Postage;
- Producing material in an alternative format, such as CD-ROM, Video, Audio Cassette or in Braille; and
- Translating information into a different language at the request of the applicant

Police forces can charge for additional costs in all cases, regardless of whether charges are being made for marginal cost of a request (greater than £450 limit).

OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026

Current force policy is that requests exceeding the £450 fees limit will be declined under Section 12 of the Act on the basis of cost. This limit equates to 18 hours of staff time (at an estimated cost of £25 per hour to determine if the information is held and to locate and retrieve), this does not include redaction time.

We do not offer the ability for applicants to pay for additional costs.

Related Requests

Where an individual Police force receives more than one request for information from one individual, or a group of individuals who appear to be working as part of a campaign, the estimated cost for complying with one of the requests can be taken to be the aggregated cost of complying with all the requests, as long as the requests are received within 60 working days of each other i.e. the £450 test is compared against the amount it would cost to comply with all requests.

Further information about the police actions under the Freedom of Information Act 2000 can be found in the NPCC Freedom of Information Manual.

VAT is non business rate 0%

Hire of Tactical Training Centre – Local Rates

The Constabulary hires out its Tactical Training Centre to both Police Forces and other users. The rates are based on square footage of area hired, available days and utility costs, these are as follows:

Facility	Other User Day Rate	Other User Half-Day Rate	Police Day Rate (8 hours)	Police Half Day Rate
Firearms Range	697.10	464.70	580.90	407.20
Tactics Arena (without mock House)	871.90	580.90	697.10	580.90
Tactics Arena (with mock House)	929.40	580.90	871.90	580.90
Mock House Only	871.90	580.90	697.10	580.90
Classroom	117.20	58.60	117.20	58.60
Matted Room	291.00	232.40	232.40	174.90
Search House	348.60	291.00	291.00	232.40
Taser Range	90.60	60.40	72.50	60.40

Accommodation can be provided should it be required. Rates for rooms and meals are additional to the above and charges can be provided on request.

Should training support, ammunition etc be required costs can be supplied.

VAT is charged at standard rate 20%

OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026

Home Office Other Charges – NPCC Rates

	£
Pedlar Certificates	12.25

VAT is non business rate 0%

Identity Checking Service – Local Rates

Identity checking is a service for members of the public requiring photocopies of identity documents certified as being a true likeness of the original.

	£
Maximum 3 original documents against photocopies and certify each photocopy as a true likeness of the original document	36.30

Identity Checking in relation to Subject Access Requests are supplied free of charge. No charges will be levied to former police employees (of any force) in relation to documentation for police pensions.

VAT is charged at standard rate 20%

Immigration Charges

The Force can charge UK Borders Agency in respect of the detention of persons wanted by them. The rates are calculated using the National Framework Agreement between NPCC and Home Office Immigration Enforcement: Charging for Cell Accommodation guidelines.

VAT is non business rate 0%

National Guidance on Data Sharing for NPCC in respect of Association of British Insurers (ABI)

	£
Request for disclosure of information held by the police (guidance appendix D(A)) <i>The above fee would cover a police report and the insured's witness statement only. Anything else would not be disclosed as standard but rather considered on a case-by-case basis and the appropriate NPCC fee charged</i>	168.40
Request for information held by the police where there is evidence to suspect a fraudulent insurance claim (schedule 2) - (guidance appendix E)	No Charge
Interview with Police Officer (per Officer) – (guidance para 6.20)	188.30

VAT is non business rate 0%

OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026

Other Requests for Information – NPCC Rates

If the force receives a request to disclose certain information which is not covered under any other Memorandum of Understanding, Statutory, Judicial or NPCC agreement, a charge will be made to service each request.

An example of such a request might be a Solicitor requesting medical notes relating to a Police Staff member or Police Officer (with appropriate release authorisation). Dealing with such requests requires information to be retrieved and decisions made about what information should be disclosed.

The initial charge for such requests is a standard charge, covering the first two hours (or part thereof). Any requests that take in excess of 2 hours will incur further costs at the listed hourly rate (or part thereof).

	£
Request for Information (up to 2 hours work)	118.40
Hourly rate for work above 2 hours (including redaction)	39.70
Limited particulars – 3 rd party details and search admin fee	46.40

Obtain VAT guidance from the Finance Services Team in the Finance Department.

Requests for Services Not Listed Elsewhere – Local Rates

If the force receives a request to provide a service which is not listed in the current Fees and Charges Handbook, the following general charge calculation should be used:

- Cost of Officer / Staff time (including National Insurance and Superannuation) using Full Economic Cost Recovery rates (specified in Special Police Services on pages 12-14 of this document);
- Plus a charge for the service/goods being provided;
- Plus a 5% Administration charge (minimum of £10) to cover the processing of any invoice and payment.

Any such charge may be subject to VAT at the appropriate rate(s). Obtain guidance from the Finance Services Team.

All requests of this nature should be referred to the Finance Department to enable the appropriate rates to be calculated. Departments should not estimate their own rates.

Special Police Services and Local Authority Rates – NPCC Rates

Police forces will take steps to maximise force income through the pursuit of cost recovery activities when it is in the interests of the force and their communities to do so.

The charging methodology applied by the NPCC incorporates:

**OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026**

- Police basic pay & allowances
- Pension costs
- Police overtime & holiday pay adjustments
- Relevant ancillary costs
- General overhead recovery

The national rates for uniformed officers and PCSOs are illustrated below. Other Police Officer ranks are available on request.

	Full Economic Cost (Commercial Events) Hourly £		Direct Cost (Non-Commercial e.g. L.A.) Hourly £	
	Normal	Bank Holiday	Normal	Bank Holiday
Chief Superintendent	169.98	N/A	118.24	N/A
Superintendent	147.70	N/A	101.11	N/A
Chief Inspector	119.11	N/A	79.11	N/A
Inspector	112.17	N/A	73.77	N/A
Sergeant	116.25	142.56	82.01	104.11
Constable	92.02	113.15	62.18	79.10
PCSO	72.58	88.82	46.10	58.13

The bank holiday rates in the above table should be charged for services provided on bank holidays where at least 8 days' notice has been given. The rate includes a premium for overtime at double time. Where less than 8 days' notice has been given, the rates in the table below should be charged which include a premium for overtime at double time and the cost of the additional time that the officer can take off in lieu.

	Full Economic Cost (Commercial Events) Hourly £	Direct Cost (Non-Commercial e.g. L.A.) Hourly £
	BH < 8 Days Notice	BH < 8 Days Notice
Sergeant	186.75	148.30
Constable	146.98	112.93

If Special Constables are used to support regular officers, a charge of 50% of the PC rate should be used.

Under the Police Act 1996 (Section 92) and Local Government and Rating Act 1997 (Section 31), services can be provided for the benefit of the local council taxpayer rather than a profit-making organisation at reduced rates. The NPCC guidance requires a charge representing direct costs to be applied in these cases as shown in the above tables.

In the case of charitable events, a reasonable contribution towards police costs should be considered, please contact the Force Events Team for details.

OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026

Statutory events remain part of core activity and no charges should be made.

In some cases, it may be relevant to charge an abatement to full economic cost, for example, where the receiver of the service is not generating a profit. In such cases the operational resource cost rates below may apply.

	Operational Resource Cost (Abatement to Full Economic Cost) Hourly £		
	Normal	Bank Holiday	BH<8 days Notice
Chief Superintendent	130.75	N/A	N/A
Superintendent	113.62	N/A	N/A
Chief Inspector	91.63	N/A	N/A
Inspector	86.28	N/A	N/A
Sergeant	94.52	120.83	165.03
Constable	74.69	95.82	129.65
PCSO	58.61	74.85	N/A

For guidance on the most appropriate rate, please contact the Finance Department.

Staff rates should be applied according to the salary bands below which reflect an individual's full time equivalent salary including allowances but excluding employer's national insurance and superannuation.

	£20,000 to £30,000	£30,001 to £40,000	£40,001 to £50,000	£50,001 to £60,000
Hourly rate £	49.35	65.08	80.81	88.67

	£60,001 to £70,000	£70,001 to £80,000	£80,001 to £90,000	Over £90,000
Hourly rate £	85.15	96.70	108.24	119.79

For the avoidance of doubt, the hourly rates above do include both employer's national insurance and superannuation as well as direct and indirect overheads.

In terms of VAT, as previously indicated on page 3, consideration should be given to whether the service can only be provided by the Police Force, in which case, VAT is not applicable. In the case of Abnormal Load Police Escort Services, if the Chief Constable decides that the abnormal load must be escorted for reasons of public safety, this would be outside the scope of VAT.

Charges for Police Staff will attract VAT at the current rate.

Vehicle Servicing Charges – Local Rates

Labour for all makes & models	£51.60 per hour
Parts	Cost + 10%

**OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026**

Labour & Parts charges are as agreed by all NAPFM West Region.

VAT is charged at standard rate 20%

Vehicle Costs for Escorting Abnormal Loads – NPCC Rates

In addition to the costs of the officers deployed to the escort duty, the cost of the vehicles and fuel should be included in the total cost of the escorting service. The mileage cost should be calculated against the three distinct phases of the escort duty:

1. The distance travelled from the vehicle’s base to the start of the escort
2. The total distance of the escort
3. The distance travelled from the end of the escort back to the vehicle’s base.

Vehicle Type	Daily Rate £	Miles Per Litre	Fuel Cost Per Mile £
Marked Car - petrol	47.00	6	0.2350
Marked Car - diesel	47.00	6	0.2436
Marked Car electric only	56.00	2.5	0.0920
Motorcycle	36.00	8	0.1763

As the escorting of abnormal loads is an additional activity above and beyond ‘core policing’, it is recommended that all escort duties are carried out on rest days in order that the public’s expectations and entitlement to core policing is not eroded (except for short-term junction closures where local discretion may be applied).

The minimum charging period for officers engaged in escorting abnormal loads is 6 hours. Contractual agreements should be put in place with companies requesting the escort of an abnormal load. The contract should be arranged at the point of the request, covering how any incurred overtime costs are recovered should the escort be cancelled at short notice.

Vehicle Removal, Storage and Disposal – Statutory Charges

Vehicle Removal Fees				
Vehicle position and condition	Vehicle equal to or less than 3.5 tonnes maximum authorised mass (MAM)	Vehicle exceeding 3.5 tonnes MAM but equal to or less than 7.5 tonnes	Vehicle exceeding 7.5 tonnes MAM but equal to or less than 18 MAM	Vehicle exceeding 18 tonnes MAM
Vehicle on road, upright and not substantially damaged or any 2 wheeled vehicle whatever its condition or position on or off the road	£192	£256	£448	£448
Vehicle, excluding a 2 wheeled vehicle, on road but either not upright or substantially damaged or both	£320	£832	Unladen - £2,561 Laden - £3,842	Unladen - £3,842 Laden - £5,763

**OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026**

Vehicle, excluding a 2 wheeled vehicle, off road, upright and not substantially damaged	£256	£512	Unladen - £1,281 Laden - £1,921	Unladen - £1,921 Laden - £2,561
Vehicle, excluding a 2 wheeled vehicle, off road but either not upright or substantially damaged or both	£384	£1,089	Unladen - £3,842 Laden - £5,763	Unladen - £5,763 Laden - £7,684

Storage (for each period of 24 hours or part thereof)				
Two wheeled vehicle	£13			
Vehicle, not including a 2 wheeled vehicle, equal to or less than 3.5 tonnes MAM	£26			
Vehicle exceeding 3.5 tonnes MAM but equal to or less than 7.5 tonnes	£32			
Vehicle exceeding 7.5 tonnes MAM but equal to or less than 18 MAM	£38			
Vehicle exceeding 18 tonnes MAM	£45			
Disposal				
Two wheeled vehicle	£64			
Vehicle, not including a 2 wheeled vehicle, equal to or less than 3.5 tonnes MAM	£96			
Vehicle exceeding 3.5 tonnes MAM but equal to or less than 7.5 tonnes	£128			
Vehicle exceeding 7.5 tonnes MAM but equal to or less than 18 MAM	£160			
Vehicle exceeding 18 tonnes MAM	£192			

OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026

Vehicle Collisions – NPCC and Local Rates

Details of Cheshire Constabulary records, material and fees payable for disclosure of police information regarding vehicle collisions: -

	NPCC Rate £	Local Rate £
<u>Collision Reports and assisting documentation</u>		
Copy of Collision Report (Full extract up to 30 pages)	130.70	
Additional pages for same incident (per page)	5.80	
Limited particulars – 3 rd party details and search admin fee	46.40	
Copy of self-reporting / minor accident form – RTC details form/yellow card	46.40	
Rough Data (per page) – sketch/attending officer’s drawing	37.30	
<u>Photographs, recordings and other digital data</u>		
	£	£
Attending Officer Photographs (per image)		5.80
Video footage - Police (handheld, drone, vehicle mounted, or body worn video)		118.40
3D Virtual World - Simulations / Fly Throughs - already prepared	37.80	
3D Virtual World - Simulations / Fly Throughs - requested	Per Hour + 37.80	
Dashcam, drone & CCTV footage - Public/Private		118.40
<u>Copies of Statements (other than in booklets) and Police Officer Interviews</u>		
	£	£
Copy of MG11 – Witness/Victim/Police Statement	74.20	
Interview with a Police Officer (per officer) – attending/OIC Police Officer interview	188.30	
Interview with VEX/FCI Officer		291.00
Request for a statement to be written by Police Officer (from the interview)	188.30	
Digital Interviews / Video Interviews – per interview		118.40
Copy of Interview Record Transcript / MG15 (only where prepared during investigative process)	74.70	
PNB/OEL Witness/Driver – Comments/Accounts		46.40
Incident Log (CAD/SAAB)		97.60
Administration fee for re-issuing disclosure		51.90
999/101 audio calls		118.40
MG5 – Offence Report		74.20
Occurrence Enquiry Log – per log		97.60
Toxicology Report		74.20
Court Result/Trial Results		47.30

OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR CHESHIRE
FEES & CHARGES HANDBOOK 2026

<u>Forensic Collision Investigation (FCI) and Vehicle Examination (VEX) Information</u>	NPCC Rate £	Local Rate £
FCI Technical Report per page Minimum charge	560.70	17.40
Interview with VEX/FCI Officer		291.00
Request for a statement to be written by FCI Officer		291.00
Copy of Police VEX report – Short		145.30
Copy of Police VEX report – Full		290.60
Raw Survey Data (total Station/VRS)		290.60
Raw survey data (Laser Scanner)		581.30
Copy of scale plan – other than collision report		290.60
Skid tests (if not in a supplied report)		58.20
Calculations (if not in a supplied report)		58.20
FCI Photographs (per image)		5.80
FCI Scene Notes		118.30
VEX Scene Notes (per vehicle examined)		118.30
BOSCH ECU data		
Per Vehicle for the first two		290.60
Per vehicle thereafter		145.30

VAT is non business rate 0%

Cancellation Charges

Cancellation of requests may incur a charge, if received after work has started on any service. If received before any work has commenced, no charge should be made. If received immediately prior to despatch of requested item(s), full charge should be made. Cancellation requests received where the request is part complete, should be charged proportionately.

APPENDIX 2

	Charge Type	2025	2026	Variance £	Variance %
Alarm Registrations					
Alarm registration (Intruder)	NPCC	56.70	58.90	2.20	3.9%
Alarm registration (Hold Up Alarm)	NPCC	56.70	58.90	2.20	3.9%
Existing system takeover – single	NPCC	55.60	57.70	2.10	3.8%
Existing system takeover – multiple	NPCC	79.60	82.60	3.00	3.8%
Lone Worker Devices up to 10,000	NPCC	68.60	71.20	2.60	3.8%
Lone Worker Devices 10,001 - 50,000	NPCC	102.80	106.70	3.90	3.8%
Lone Worker Devices 50,001 and over	NPCC	137.10	142.30	5.20	3.8%

Common Items – NPCC and Local Rates					
Crime Report	NPCC	114.30	118.70	4.40	3.8%
MG5 - Offence Report	NPCC	45.60		28.60	62.7%
	Local		74.20		
MG4 – Caution Certificate	Local	29.80	30.90	1.10	3.7%
MG3 - report to CPS for a charging decision, decision log and action plan	NPCC	45.60	N/A		REMOVED
Incident Log (CAD/SAAB)	Local	73.80	97.60	23.80	32.2%
Occurrence Enquiry Log – per log	Local	73.80	97.60	23.80	32.2%
Domestic Violence Report	NPCC	68.70	71.30	2.60	3.8%
Occurrence Summary	NPCC	23.10		23.30	100.9%
	Local		46.40		
Custody Record	NPCC	23.00	23.90	0.90	3.9%
Copy of MG11 – Witness/Victims/Police Statement	NPCC	71.40	74.20	2.80	3.9%
Copy of interview record – MG15 ‘transcript’ of recorded interview	NPCC	71.90	74.70	2.80	3.9%
Administration fee for re-issuing disclosure	Local	50.00	51.90	1.90	3.8%
999/101 audio calls	Local	114.10	118.40	4.30	3.8%

Civil Courts and Tribunals					
Interview with a Police Officer	NPCC	181.40	188.30	6.90	3.8%
Statement written by a Police Officer	NPCC	181.40	188.30	6.90	3.8%

Civil Family Court Proceedings Charges					
Police National Computer Records (antecedents) – per record	Local	45.60	47.30	1.70	3.7%
Niche – schedule of relevant and non-relevant occurrences	Local	71.90	74.70	2.80	3.9%
Occurrence Enquiry Log – per log	Local	73.80	97.60	23.80	32.2%
Copy of MG11 - Witness/Victim/Police statement	NPCC	71.40	74.20	2.80	3.9%
Digital Interviews / Video Interviews – per interview	Local	108.00	118.40	10.40	9.6%
Copy of Interview Record Transcript / MG15 (only where prepared during investigative process)	NPCC	71.90	74.70	2.80	3.9%
Professional Reports (such as Medical, PPO or Intermediary)	Local	68.70	74.20	5.50	8.0%

APPENDIX 2

	Charge Type	2025	2026	Variance £	Variance %
MG5 - Offence Report	NPCC Local	45.60	74.20	28.60	62.7%
CSI Photographs – per bundle	NPCC	37.10	38.50	1.40	3.8%
All Exhibit Photographs / Screenshots & other miscellaneous documents (per page)	Local	5.60	5.80	0.20	3.6%
Officer Pocket Book / Day Books Entries	Local	37.00	46.40	9.40	25.4%
Body Worn Video Footage / CCTV / Doorbell Footage	Local	114.10	118.40	4.30	3.8%
Sexual Offences Booklet	Local	45.60	74.20	28.60	62.7%
MG12 Exhibit List	Local	45.60	47.30	1.70	3.7%
CAVA	Local	71.90	N/A		REMOVED
Administration fee for re-issuing disclosure	Local	50.00	51.90	1.90	3.8%
999/101 audio calls	Local	114.10	118.40	4.30	3.8%
Vulnerable Person Report (VPA)	Local	N/A	46.40		NEW
Court Result/Trial Results	Local	N/A	47.30		NEW

Driver Offender Retraining Courses

National Motorway Awareness Course	Local	89.00	90.00	1.00	1.1%
National Speed Awareness Course	Local	89.00	90.00	1.00	1.1%
What's Driving Us?	Local	89.00	90.00	1.00	1.1%
Safe and Considerate Driving Course	Local	175.00	175.00	0.00	0.0%

Fingerprint Fees

One set	NPCC	101.40	105.20	3.80	3.7%
Additional sets thereafter (each)	NPCC	50.70	52.60	1.90	3.7%

Filming/documentaries

Premises Charges –dependent on the access required to premises (minimum charge)	Local	Various rates per timescale	Various rates per timescale		
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Firearms Licensing

Firearms Certificate Grant	Statutory	198.00	198.00	0.00	0.0%
Firearms Certificate Renewal	Statutory	131.00	131.00	0.00	0.0%
Firearms Certificate Replacement	Statutory	9.00	9.00	0.00	0.0%
Shotgun Certificate Grant	Statutory	194.00	194.00	0.00	0.0%
Shotgun Certificate Renewal	Statutory	126.00	126.00	0.00	0.0%
Shotgun Certificate Replacement	Statutory	9.00	9.00	0.00	0.0%
Shotgun Certificate Grant (co-terminus/including Firearms Certificate)	Statutory	202.00	202.00	0.00	0.0%
Shotgun Certificate Renewal (co-terminus/including Firearms Certificate)	Statutory	155.00	155.00	0.00	0.0%
Visitors Permit (Individual 1-5) per person	Statutory	47.00	47.00	0.00	0.0%
Visitors Permit (Group 6-20) in total	Statutory	233.00	233.00	0.00	0.0%

APPENDIX 2

	Charge Type	2025	2026	Variance £	Variance %
Home Office Club Approval	Statutory	84.00	84.00	0.00	0.0%
Registered Firearms Dealer registration	Statutory	466.00	466.00	0.00	0.0%
Registered Firearms Dealer renewal	Statutory	466.00	466.00	0.00	0.0%
Game Fairs	Statutory	30.00	30.00	0.00	0.0%
Variation (not like for like)	Statutory	47.00	47.00	0.00	0.0%
Firearms Museum License	Statutory	200.00	200.00	0.00	0.0%
Other Licensing Fees					
Peddler Certificates	Statutory	12.25	12.25	0.00	0.0%

Hire of Tactical Training Centre

Various facilities	Local	Various rates per timescale	Various rates per timescale		3.8%
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Identity Checking Service

Maximum 3 original documents against photocopies and certify each photocopy as a true likeness of the original document	Local	35.00	36.30	1.30	3.7%
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National Guidance on Data Sharing for NPCC in respect of Association of British Insurers (ABI)

Request for disclosure of information held by the police (guidance appendix D(A))	NPCC	162.30	168.40	6.10	3.8%
Interview with Police Officer (per Officer) – (guidance para 6.20)	NPCC	181.40	188.30	6.90	3.8%

Other Requests For Information

Request for Disclosure of information, not covered by other Memorandums of Understanding, statutory, judicial or other NPCC agreements - up to 2 hours work	NPCC	114.10	118.40	4.30	3.8%
Hourly rate for work above 2 hours (including redaction)	NPCC	38.30	39.70	1.40	3.7%
Limited particulars – 3rd party details and search admin fee	NPCC	44.70	46.40	1.70	3.8%

Special Police Services**-Full Economic Cost Rate – Per Hour:**

Chief Superintendent	NPCC	162.90	169.98	7.08	4.3%
Superintendent	NPCC	141.53	147.70	6.17	4.4%
Chief Inspector	NPCC	114.11	119.11	5.00	4.4%
Inspector	NPCC	107.47	112.17	4.70	4.4%
Sergeant	NPCC	111.33	116.25	4.92	4.4%
Constable	NPCC	88.09	92.02	3.93	4.5%
PCSO	NPCC	69.30	72.58	3.28	4.7%

- Direct Costs – Per Hour:

APPENDIX 2

	Charge Type	2025	2026	Variance £	Variance %
Chief Superintendent	NPCC	113.26	118.24	4.98	4.4%
Superintendent	NPCC	96.83	101.11	4.28	4.4%
Chief Inspector	NPCC	75.73	79.11	3.38	4.5%
Inspector	NPCC	70.62	73.77	3.15	4.5%
Sergeant	NPCC	78.48	82.01	3.53	4.5%
Constable	NPCC	59.45	62.18	2.73	4.6%
PCSO	NPCC	43.92	46.10	2.18	5.0%
- Operational Resource Cost – Per Hour:					
Chief Superintendent	NPCC	125.31	130.75	5.44	4.3%
Superintendent	NPCC	108.87	113.62	4.75	4.4%
Chief Inspector	NPCC	87.77	91.63	3.86	4.4%
Inspector	NPCC	82.67	86.28	3.61	4.4%
Sergeant	NPCC	90.52	94.52	4.00	4.4%
Constable	NPCC	71.50	74.69	3.19	4.5%
PCSO	NPCC	55.96	58.61	2.65	4.7%

Vehicle Servicing

Labour for all makes and models	Local	45.00	51.60	6.60	14.7%
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Vehicle Costs for Escorting Abnormal Loads - Daily Rates

Marked Car petrol or diesel	NPCC	46.00	47.00	1.00	2.2%
Marked Car electric only	NPCC	55.00	56.00	1.00	1.8%
Motorcycle	NPCC	36.00	36.00	0.00	0.0%

Vehicle Collisions

Collision Reports and assisting documentation: -

Copy of Collision Report (Full extract up to 30 pages)	NPCC	125.90	130.70	4.80	3.8%
Additional pages for same incident (per page)	NPCC	5.60	5.80	0.20	3.6%
Limited particulars – 3rd party details and search admin fee	NPCC	44.70	46.40	1.70	3.8%
Copy of self-reporting / minor accident form	NPCC	44.70	46.40	1.70	3.8%
Rough Data (per page)	NPCC	35.90	37.30	1.40	3.9%

Photographs, recordings and other digital data: -

Attending Officer Photographs (per image)	Local	5.60	5.80	0.20	3.6%
Video footage - Police (handheld, drone, vehicle mounted or body worn video)	Local	114.10	118.40	4.30	3.8%
3D Virtual World - Simulations / Fly Throughs - already prepared	NPCC	36.40	37.80	1.40	3.8%
3D Virtual World - Simulations / Fly Throughs - requested	NPCC	Per Hour + 36.40	Per Hour + 37.80	Per Hour + 1.4	3.8%
Dashcam, drone & CCTV footage - Public/Private	Local	114.10	118.40	4.30	3.8%

APPENDIX 2

	Charge Type	2025	2026	Variance £	Variance %
<u>Copies of Statements (other than in booklets) and Police Officer Interviews: -</u>					
Copy of MG11 - Witness/Victim/Police Statement	NPCC	71.40	74.20	2.80	3.9%
Interview with a Police Officer (per officer) – attending/OIC Police Officer interview	NPCC	181.40	188.30	6.90	3.8%
Interview with VEX/FCI Officer	Local	280.00	291.00	11.00	3.9%
Request for a statement to be written by Police Officer (from the interview)	NPCC	181.40	188.30	6.90	3.8%
Digital Interviews / Video Interviews – per interview	Local	108.00	118.40	10.40	9.6%
Copy of Interview Record Transcript / MG15 (only where prepared during investigative process)	NPCC	71.90	74.70	2.80	3.9%
PNB/OEL Witness/Driver – Comments/Accounts	Local	37.00	46.40	9.40	25.4%
Incident Log (CAD/SAAB)	Local	73.80	97.60	23.80	32.2%
Administration fee for re-issuing disclosure	Local	50.00	51.90	1.90	3.8%
999/101 audio calls	Local	114.10	118.40	4.30	3.8%
MG5 - Offence Report	NPCC Local	45.60	74.20	28.60	62.7%
Occurrence Enquiry Log – per log	Local	73.80	97.60	23.80	32.2%
Toxicology Report	Local	N/A	74.20		NEW
Court Result/Trial Results	Local	N/A	47.30		NEW

Forensic Collision Investigation (FCI) and Vehicle Examination (VEX) Information					
FCI Technical Report per page	Local	16.80	17.40	0.60	3.6%
Minimum charge	NPCC	540.10	560.70	20.60	3.8%
Interview with VEX/FCI Officer	Local	280.00	291.00	11.00	3.9%
Request for a statement to be written by FCI Officer	Local	280.00	291.00	11.00	3.9%
Copy of Police vehicle examination report – Short	Local	140.00	145.30	5.30	3.8%
Copy of Police vehicle examination report – Full	Local	280.00	290.60	10.60	3.8%
Raw Survey Data (total Station/VRS)	Local	280.00	290.60	10.60	3.8%
Raw survey data (Laser Scanner)	Local	560.00	581.30	21.30	3.8%
Copy of scale plan – other than collision report	Local	280.00	290.60	10.60	3.8%
Skid tests (if not in a supplied report)	Local	56.10	58.20	2.10	3.7%
Calculations (if not in a supplied report)	Local	56.10	58.20	2.10	3.7%
FCI Photographs (per image)	Local	5.60	5.80	0.20	3.6%
FCI Scene Notes	Local	114.00	118.30	4.30	3.8%
VEX Scene Notes (per vehicle examined)	Local	114.00	118.30	4.30	3.8%
BOSCH ECU data					
Per Vehicle for the first two	Local	280.00	290.60	10.60	3.8%
Per vehicle thereafter	Local	140.00	145.30	5.30	3.8%

APPENDIX 3

CATEGORY	CHARGE TYPE	DEPARTMENT	INCOME 2025/26 YEAR TO DATE (Dec '25) £'000	POLICY REFERENCE
Alarm Registrations	NPCC	Information Technology	28	Page 4
Cheshire Bikesafe Courses	National	Roads & Crime	0	Page 5
Civil Family Court Proceedings Charges / Civil Courts & Tribunals	NPCC & Local	Legal	158	Page 5/6
Vehicle Collision Information and Common Items	NPCC & Local	Legal	168	Page 5/17
Driver Offender Retraining Courses	Local - competitive market with other forces	Driver Offender Retraining	1,723	Page 6
Fingerprint Fees	NPCC	Public Contact Helpdesks	15	Page 7
Filming/documentaries	Local	Corporate Communications	0	Page 7-8
Firearms Licensing	NPCC	Uniform Operations	192	Page 8
Hire of Tactical Training Centre	Local	People	7	Page 10
Identity Checking Service & Pedlar Certificates	Local & NPCC	Public Contact Helpdesks	1	Page 11
Immigration Charges	National Framework Agreement between NPCC and Home Office Immigration Enforcement	Custody	35	Page 11
Special Police Services And Local Authority Rates	NPCC	Various	712	Page 12-14
Vehicle Servicing Charges	Local - subject to Regional agreement	Fleet	122	Page 14
Forensic Vehicle Collision Information	Local	Legal	6	Page 18
			3,167	



Cheshire
Constabulary



Dan Price
Cheshire
Police & Crime
Commissioner

JOINT MANAGEMENT BOARD

DECISION NO. 2026/07

DATE: 28 January 2026

REVIEW OF THE SCHEME OF CORPORATE GOVERNANCE

Executive Summary:

In February 2025, the Scheme of Corporate Governance underwent a substantial review, including the inclusion of the Procurement Act 2023. This periodic review of the Scheme of Corporate focuses on changes to write off amounts and minor corrections.

Recommendations:

- 1) That the revised Scheme of Corporate Governance be approved

We have reached the following decision:

Approval of the recommendations.

Our rationale for this decision is:

The revisions to the Scheme of Corporate Governance will support good governance and financial management, as well as ensuring that the Police & Crime Commissioner and the Chief Constable can exercise their respective functions both efficiently and effectively, in compliance with relevant legislation.

Signature

Date 28 January 2026

Police & Crime Commissioner

Signature

Date 28 January 2026

Deputy Chief Constable

PART 1 – NON-CONFIDENTIAL FACTS AND ADVICE

INTRODUCTION AND BACKGROUND

1. The Commissioner has a Scheme of Corporate Governance which sets out the governance framework that will assist in enabling the Commissioner and the Chief Constable to fulfil their statutory functions.
2. The Scheme is reviewed on an annual basis to ensure it remains up to date and relevant, taking into account local and national changes in the way the police service operates.
3. The most recent planned review has involved the relevant statutory, senior and governance officers of the Office of Police and Crime Commissioner and Cheshire Constabulary.
4. The revisions to the Scheme of Corporate Governance include minor updates and corrections and changes to write off limits. In addition, the Scheme makes provision for the expected new Mutually Agreed Resignation Scheme Policy.

CONSULTATION (INTERNAL AND EXTERNAL)

5. Full consultation has taken place with statutory officers in both the Office of the Police & Crime Commissioner and Cheshire Constabulary.

IMPACT ASSESSMENTS/IMPLICATIONS/RISKS

6. There are no risks associated with the recommendations in this paper.

HR COMMENTS

7. There are no HR implications. All proposed changes have been endorsed by the Chief People Officer (Constabulary).

IT REQUIREMENTS

8. There are no IT implications.

FINANCIAL COMMENTS

9. All proposed changes have been endorsed by the Chief Finance Officer (Constabulary).

LEGAL COMMENTS

10. All proposed changes have been endorsed by the Chief Executive (OPCC) and the Chief Legal Officer (Cheshire Constabulary). The revisions to the Scheme of Corporate Governance will maintain appropriate levels of financial and non-financial governance in compliance with legislation and industry best practice.

EQUALITY COMMENTS

11. There are no equality implications.

ENVIRONMENTAL COMMENTS

12. There are no environmental implications.

BACKGROUND DOCUMENTS

Document Titles
n/a

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.

Is there a Part 2 form - No

Contact Officer: Natalie Salvemini, Governance Officer & Practice Manager

Tel. No.: 01606 366881

Email: natalie.salvemini@cheshire.police.uk

CHIEF OFFICER DECLARATION (Deputy Chief Legal Officer – Jane Norton)

I have reviewed the proposal and I am satisfied it is correct, all relevant internal checks have been undertaken and it is an appropriate request to be submitted to the Police & Crime Commissioner.

Signature *Jane Norton*

Date 28 January 2026

CHIEF EXECUTIVE DECLARATION (Damon Taylor):

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the presentation of this report. I am satisfied that this is an appropriate request to be submitted to the Police & Crime Commissioner.

Damon Taylor

Signature

Date 28 January 2026



**Cheshire
Police & Crime
Commissioner**



**Cheshire
Constabulary**

CHAPTER 1 CODE OF CORPORATE GOVERNANCE

January 2026

CHAPTER 1 – CODE OF CORPORATE GOVERNANCE

CONTENTS

Description

Introduction	3
The Code of Corporate Governance	6
Arrangements for the Review of Governance	6

CHAPTER 1 – CODE OF CORPORATE GOVERNANCE

1 Introduction

- 1.1 Governance is about how the Police and Crime Commissioner and Chief Constable ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open and accountable manner. It comprises the systems, processes, culture and values within the Office of the Police and Crime Commissioner (OPCC) and the Constabulary, and through which the Commissioner and Chief Constable account to, engage with and, where appropriate, lead the community.
- 1.2 The Police and Crime Commissioner may lawfully consent to the Chief Constable (and/or delegate to the statutory officers within the OPCC) the task of discharging functions for dealing with resources. It shall be a condition of such consent (or delegation) that such individuals will be equally required to abide by this Code, (and comply with its principles and obligations, including undertaking separate annual assessments of the adequacy of governance arrangements and preparing Annual Governance Statements) and so where relevant, references to the Commissioner shall apply to staff in the Commissioner's Office, the Chief Constable and those Officers and Staff under his direction/control.
- 1.3 This Code of Corporate Governance describes how the Police and Crime Commissioner for Cheshire¹ will discharge his responsibilities in this respect.
- 1.4 The Commissioner has the legal power and duty to:
- (a) set the strategic direction and objectives of the force through the Police and Crime Plan, which must have regard to the Strategic Policing Requirement set by the Home Secretary;
 - (b) scrutinise, support and challenge the overall performance of the force including against the priorities agreed within the Plan;
 - (c) hold the Chief Constable to account for the performance of the force's officers and staff;
 - (d) decide the budget, allocating assets and funds to the Chief Constable; and set the precept for the force area;
 - (e) appoint the Chief Constable
 - (f) remove the Chief Constable subject to following the process set out in Schedule 8 to the 2011 Act;
 - (g) maintain an efficient and effective police force for the police area;
 - (h) enter into collaboration agreements with other Commissioners, other policing bodies and partners that improve the efficiency or effectiveness of policing for one or more policing bodies or police forces in consultation with the Chief Constable
 - (i) provide the local link between the police and communities, working to translate the legitimate desires and aspirations of the public into action;

¹ The Police and Crime Commissioner for Cheshire is hereinafter referred to as the Commissioner throughout the Scheme of Governance.

- (j) hold the Chief Constable to account for the exercise of the functions of the office of Chief Constable and the functions of the persons under the direction and control of the Chief Constable;
 - (k) publish information specified by the Secretary of State and information that the Commissioner considers necessary to enable the people who live in the force area to assess the performance of the Commissioner and Chief Constable;
 - (l) comply with all reasonable formal requests from the Police and Crime Panel to attend their meetings;
 - (m) prepare and issue an annual report to the Panel on the Commissioner's delivery against the objectives set within the Plan;
 - (n) monitor all complaints made against officers and staff, whilst having responsibility for complaints against the Chief Constable. The Policing and Crime Act 2017 and supporting regulations made significant changes to the police complaints system. Such changes, which took effect from 1 February 2020, now include the Commissioner acting as a Relevant Review Body (RRB), to determine whether the outcome of a complaint to Cheshire Constabulary was reasonable and proportionate, as well as a Local Oversight Body, enhancing local accountability and a statutory responsibility for the Commissioner to hold the Chief Constable to account for the performance of the complaints system locally and for ensuring there are appropriate processes in place for dealing with conduct and matters concerning death or serious injury.
- 1.5 The Commissioner has wider responsibilities than those relating solely to the police force, including:
- (a) a specific responsibility for the delivery of community safety and crime reduction;
 - (b) the ability to bring together Community Safety Partnerships at the force level;
 - (c) the ability to make crime and disorder reduction grants within their force area;
 - (d) a duty to ensure that all collaboration agreements with other Local Policing Bodies and forces deliver better value for money or enhance the effectiveness of policing capabilities and resilience;
 - (e) a wider responsibility for the enhancement of the delivery of criminal justice in their area;
 - (f) the ability to provide or commission services that will secure, or contribute to securing, crime and disorder reduction or that are intended to help victims and witnesses of crime and anti-social behaviour.
- 1.6 This Code of Corporate Governance describes how the Chief Constable will meet his responsibility to secure good governance, and in particular his statutory responsibility for the direction, control and delivery of operational policing services.
- 1.7 The Chief Constable is a corporation sole and is responsible to the public and accountable to the Commissioner for:

- (a) leading the force in a way that is consistent with the attestation made by all constables on appointment and ensuring that it acts with impartiality;
- (b) appointing and dismissing the force's officers and staff (after consultation with the Commissioner, in the case of officers above the rank of Chief Superintendent and police staff equivalents);
- (c) supporting the Commissioner in the delivery of the strategy and objectives set out in the Plan;
- (d) assisting the Commissioner in planning the force's budget;
- (e) providing the Commissioner with access to information, officers and staff as required;
- (f) having regard to the Strategic Policing Requirement when exercising and planning policing functions in respect of the force's national and international policing responsibilities;
- (g) notifying and briefing the Commissioner of any matter or investigation on which the Commissioner may need to provide public assurance either alone or in company with the Chief Constable (all Commissioners will be designated as Crown Servants under the Official Secrets Act 1989, making them subject to the same duties in relation to sensitive material as Government Ministers);
- (h) being the operational voice of policing in the force area and regularly explaining to the public the operational actions of officers and staff under their command;
- (i) entering into collaboration agreements with other Chief Constables, other policing bodies and partners that improve the efficiency or effectiveness of policing, and with the agreement of their respective Policing Bodies;
- (j) remaining politically independent of the Commissioner;
- (k) managing all complaints against the force, its officers and staff, except in relation to the Chief Constable, and ensuring that the Commissioner is kept informed in such a way as to enable the Commissioner to discharge their statutory obligations in relation to complaints in a regular, meaningful and timely fashion. Serious complaints and conduct matters must be passed to the Independent Office for Police Conduct (IOPC) in line with legislation;
- (l) exercising the power of direction and control in such a way as is reasonable to enable their Commissioner to have access to all necessary information and staff within the force;
- (m) having day to day responsibility for financial management of the force within the framework of the agreed budget allocation and levels of authorisation issued by the Commissioner.

1.8 The 2016 Framework sets out seven principles of good governance which are taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) ('the International Framework') and interprets them for local government, including policing. The seven principles are:

A – behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- B – ensuring openness and comprehensive stakeholder engagement
- C – defining outcomes in terms of sustainable economic, social and environmental benefits
- D – determining the interventions necessary to optimise the achievement of the intended outcomes
- E – developing the entity’s capacity, including the capability of its leadership and the individuals within it
- F – managing risks and performance through robust internal control and strong public financial management
- G – implementing good practices in transparency, reporting and audit to deliver effective accountability.

1.9 To achieve this, a framework has been formulated locally which ensures that these principles are fully integrated in the conduct of the Commissioner’s and Constabulary’s business as well as establishing a means of demonstrating compliance as reported in the Annual Governance Statement.

1.10 The OPCC and Constabulary can also demonstrate that the systems and processes in place are:-

- Monitored for their effectiveness in practice; and
- Subject to annual review to ensure they remain up to date.

2 The Code of Corporate Governance

2.1 Accordingly, the Commissioner and Chief Constable have developed this Code of Corporate Governance which incorporates the core good governance principles, develops these in a local context, and sets out the arrangements for reviewing their effectiveness.

3 Arrangements for the Review of Governance

3.1 The Commissioner and Chief Constable have put in place the following arrangements to review the effectiveness of the Code of Corporate Governance.

Code of Corporate Governance

3.2 The Commissioner and Chief Constable are responsible for jointly approving this Code of Corporate Governance.

Annual Governance Reviews

3.3 The Commissioner and Chief Constable will carry out separate annual reviews of the adequacy and effectiveness of their respective governance arrangements. A joint Annual Governance Statement will then be produced for inclusion in the Annual Statement of Accounts. The joint AGS, which will include an action plan to rectify any significant areas of weakness in corporate governance, will be signed jointly by the Commissioner; the Chief Finance Officer (OPCC) and the Chief Constable.

The Police and Crime Commissioner

3.4 As a corporation sole, the Commissioner is responsible for holding the Chief Constable to account for good governance within the Constabulary and is responsible for corporate governance issues affecting the Office of the Police and Crime Commissioner.

The Chief Constable

3.5 As a corporation sole, the Chief Constable is responsible for corporate governance issues affecting the Constabulary, ensuring that appropriate reviews are carried out into key areas including:-

- Optimisation of operational delivery, with adequate service, governance and financial controls
- Professional standards and performance
- Management of information, including security and data protection
- Strategic co-ordination of service and financial planning, including risk management
- The processes for evaluation, and achievement of value for money

The Police and Crime Panel

3.6 The Police and Crime Panel is responsible for reviewing and scrutinising the Commissioner's exercise of his statutory functions. The Panel does not scrutinise the Chief Constable, this is the role of the Commissioner. While the Panel is there to scrutinise the Commissioner, it must also exercise its functions with a view to supporting the effective exercise of the Commissioner's functions.

Joint Audit Advisory Committee

3.7 In accordance with the Financial Management Code of Practice for the police service issued by the Home Office, the Commissioner and Chief Constable have established a Joint Audit Advisory Committee (JAAC). This Committee provides the Commissioner and the Chief Constable with independent, objective and high-level assurance on the adequacy of governance, management and internal control arrangements. The JAAC is independent of executive decision making and follows the requirements set out in the Home Office Financial Management Code of Practice.

Internal Audit

3.8 The primary role of internal audit is to give assurance to the Commissioner and Chief Constable, on the effectiveness of the controls in place to manage risks. The Internal Auditor will report to the JAAC on a quarterly basis, highlighting any major control weaknesses identified.

3.9 The review of both corporate governance and risk management arrangements periodically feature in the annual audit plan which is subject to review by the JAAC. Corporate governance and risk management issues may arise through other reviews carried out by Internal Audit. In this case the issues will be raised through the relevant audit report.

External Audit

3.10 The External Auditors audit the Commissioner's and Chief Constable's financial statements, Annual Governance Statement and arrangements for securing value for money, as well as undertaking a number of thematic based reviews. The External Auditor's plans and reports, including the Annual Audit Findings report, will be considered by the Commissioner and Chief Constable and reviewed by the JAAC at appropriate times in the annual cycle of meetings.

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services

- 3.11 The role of HMICFRS is to promote the efficiency and effectiveness of policing in England, Wales and Northern Ireland through inspection of police organisations and functions to ensure agreed standards are achieved and maintained; good practice is spread and performance is improved. It also provides advice and support to the tripartite partners (Home Secretary, Police and Crime Commissioners and forces). The Commissioner can commission the conduct of inspections from HMICFRS if required.
- 3.12 HMICFRS reports are sent to the Commissioner and the Chief Constable for consideration and appropriate action. The Commissioner is required to respond to the Home Secretary regarding any published HMICFRS reports relating to Cheshire and must publish his response.



**Cheshire
Police & Crime
Commissioner**



**Cheshire
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**CHAPTER 2
RULES RELATING TO BUSINESS AND
PROCEEDINGS OF THE COMMISSIONER
AND THE CHIEF CONSTABLE IN
CONNECTION WITH RELEVANT MEETINGS
OF THE JOINT GOVERNANCE STRUCTURE**

January 2026

CHAPTER 2 – RULES RELATING TO THE BUSINESS AND PROCEEDINGS OF THE COMMISSIONER AND THE CHIEF CONSTABLE

CONTENTS

Description

Meetings of the Commissioner and the Chief Constable	3
Dates of Meetings	4
The Commissioner's and Chief Constable's Scheme of Delegation, Financial Regulations and Rules Relating to Contracts	4
Agenda for Meetings	4
Presiding at Meetings	5
Matters Reserved for Decision	5
Decisions of Significant Public Interest	5
Management Decisions	6
Rights to Attend Meetings	6
Private and Public Meetings	6
Access to Notes of Meetings and Reports after a Meeting	7
Exclusion of Press and Public Access to Reports	7
Exclusion of Press and Public from Meetings	7
General Disturbance	7
Conflicts of Interest	8
Recording of Proceedings	8
Police and Crime Panel Access to Documents	8
Record of Attendance	8
Interpretation of Rules	8

CHAPTER 2

RULES RELATING TO THE BUSINESS & PROCEEDINGS OF THE COMMISSIONER AND CHIEF CONSTABLE

1. MEETINGS TO WHICH THESE RULES SHALL APPLY

- 1.1. The Commissioner and Chief Constable have established a joint governance structure. Part of this structure includes a Joint Management Board and Scrutiny Board. These Rules shall apply to such meetings, and the Commissioner and Chief Constable shall comply (and ensure compliance) with these Rules in relation to the conduct of such meetings. They shall also apply to the Commissioner's Quasi-Judicial meetings. The ordinary meetings of the Commissioner and Chief Constable are Management Board Meetings, Scrutiny Board Meetings and also in the case of the Commissioner Quasi-judicial meetings.
- 1.2. Joint Management Board meetings will enable the Commissioner and Chief Constable to make strategic and significant decisions relating to the discharge of their role and functions in each others presence.
- 1.3. Public Scrutiny Board meetings will be held to enable the Commissioner to hold the Chief Constable to account for the provision of an efficient and effective police service in Cheshire.
- 1.4. Quasi-judicial meetings will be held to consider any human resource or complaints matters, including where the Commissioner is the final arbiter or appellate body. Relevant professionals will be in attendance to provide advice to the Commissioner as required.
- 1.5. In addition to ordinary meetings, there may be matters of such importance that the Commissioner wishes to establish a special task and finish group. In such cases, it will be a matter for the Commissioner to determine the terms of reference, membership and who should be asked to attend. In establishing a task and finish group due regard must be had to the Policing Protocol and the operational independence of the Chief Constable.
- 1.6. A Joint Management Board shall be held at least once per financial year to provide the Commissioner (in conjunction with the Chief Constable) a structured opportunity to review the joint governance structure including any delegations or consents, terms of reference, and appointments to external bodies.
- 1.7. The joint governance structure will also have opportunities where the Commissioner and the Chief Constable will meet from time to time to receive (or provide) briefing or to discuss policy issues, policy formulation, or development. Such meetings do not constitute part of the formal decision-making structure and so are not governed by these Rules.
- 1.8. These Rules allow for the Commissioner to arrange meetings that are attended in-person, but also for meetings where attendance is not in person i.e. by remote arrangement, either by all or some of those in attendance. Remote attendance does not affect the format of the meetings, and the same procedural arrangements are to be followed for all meetings regardless of manner of attendance. Where members of the meeting are remote and not able to sign in-person, signing arrangements will be coordinated post-meeting via email between the Commissioner's office and the

Constabulary. In this context, where an email record is present for verification purposes, digital signatures will hold equal weight compared to physical signatures.

2.

2. DATES OF MEETINGS

2.1. The dates and times of meetings will be set or varied by the Commissioner in consultation with the Chief Constable and published on the website.

2.2. In addition to the dates of meetings agreed by the Commissioner, an extraordinary Joint Management Board meeting may be required by:-

- (a) The Commissioner; or
- (b) The Chief Executive (Monitoring Officer) or Chief Finance Officer (Section 151 Officer) of the OPCC; or
- (c) The Chief Constable or Chief Constable's Chief Finance Officer (Section 151 Officer) or the Chief Legal Officer (Monitoring Officer) in performance of their statutory duties.

3. THE COMMISSIONER'S SCHEME OF DELEGATION/CONSENT, FINANCIAL REGULATIONS AND RULES RELATING TO CONTRACTS

3.1. The Commissioner's Scheme of Consent/Delegation, Financial Regulations and Rules relating to Contracts and the Chief Constable's Scheme of Financial Delegation and associated documents will be subject to adoption, and may only be amended, at a Joint Management Board Meeting.

3.2. The Commissioner has exercised his powers to delegate a number of matters to certain named officers and has given his consent to the Chief Constable taking such actions as are set out in the approved Scheme of Delegation/ Consent. The Commissioner may withdraw such delegations / consent at any time at his absolute discretion.

4. AGENDA FOR MEETINGS

4.1. The Commissioner may put on the agenda of any meeting any matter which he wishes relating to the discharge of his functions, following discussion with the Chief Executive.

4.2. The Chief Executive, Chief Finance Officer of the OPCC, the Chief Constable, Deputy Chief Constable, Chief Legal Officer, Chief Finance Officer (Constabulary) and Chief People Officer may include an item for consideration on the agenda of any meeting.

4.3. The Commissioner (or Chief Constable where such decision falls within his powers to consider and take) may decide to accept an urgent item on to the agenda where in their opinion, the item should be considered as a matter of urgency because of special circumstances which shall be specified in the notes of the meeting.

4.4. As soon as practicable before a meeting, the Office of the Police and Crime Commissioner will make copies of the agenda available via the Commissioner's website. Part one reports will be made available on the Commissioner's website within three working days of approval.

5. PRESIDING AT MEETINGS

5.1. The joint governance arrangements envisage that the Commissioner and Chief Constable shall work in partnership and adopt a collaborative approach whilst considering and deciding matters within their legal competence in each others presence. These rules of procedure do, however, require certain powers or discretions to be exercised by the person presiding. On this basis the assumption shall be that the Commissioner shall act in this role (recognising that in such role he shall not in any way fetter, or otherwise interfere with the powers and duties of the Chief Constable as a corporation sole), unless the Commissioner and Chief Constable agree that it would be conducive due to the nature of the business to be transacted for the Chief Constable to preside.

5.2. Where the Commissioner is absent from a meeting, the Deputy Police & Crime Commissioner (if appointed) or the Chief Executive will act as the person presiding but shall not take any decision on matters reserved to the Commissioner in accordance with Rule 6 and shall act and discharge such role in accordance with paragraph 5.1.

6. MATTERS RESERVED FOR DECISION

6.1. In accordance with Section 18 of the Police Reform and Social Responsibility Act 2011, the following matters shall be reserved for decision by the Commissioner:

- (a) Issuing a Police and Crime Plan;
- (b) Determining police and crime objectives;
- (c) Attendance at a meeting of a Police & Crime Panel in compliance with a requirement by the Panel to do so
- (d) Preparing an annual report to the Police & Crime Panel;
- (e) Appointing and suspending the Chief Constable or calling upon the Chief Constable to retire or resign; and
- (f) Calculating a budget requirement.

6.2. Whilst the Commissioner may delegate certain functions to the Deputy Police & Crime Commissioner, the Commissioner may not arrange for the Deputy Police & Crime Commissioner to exercise the following functions:

- (a) Issuing a Police and Crime Plan;
- (b) Appointing and suspending the Chief Constable or calling upon the Chief Constable to retire or resign; and
- (c) Calculating a budget requirement.

7. DECISIONS OF SIGNIFICANT PUBLIC INTEREST

7.1. Decisions of significant public interest will be considered at Management Board Meetings. Such decisions will include:-

- (a) those decisions which are reserved to the Commissioner as referred to at rule 6 above.
- (b) a decision which is financially significant in terms of spending or savings and not provided for in the agreed budget or medium-term financial strategy.
- (c) the approval or amendment of strategies and policies which will have a significant impact upon the people of Cheshire.

8. MANAGEMENT DECISIONS

8.1. Management decisions are those decisions within existing budget, strategy or policy and will be made by the Commissioner outside of the formal Joint Management Board structure where the decision cannot wait until the next meeting of the Board. A log will be maintained within the Office of the Police and Crime Commissioner of such decisions. All Management Decisions taken will be reported to the next available Board meeting for information, as well as being published on the Commissioner's website to ensure open and transparent decision making (subject to publication of information provisions set out in Schedule 1).

9. RIGHTS TO ATTEND MEETINGS

9.1. Members of the public may attend, virtually or in person, all meetings of the Joint Management Board and Public Scrutiny Board, subject only to the exceptions in these Rules.

9.2. The Commissioner's Chief Executive and Chief Finance Officer are entitled to attend any meeting including those where the press and public are excluded and will be given reasonable notice that a meeting is to take place. The Constabulary's Chief Legal Officer and Chief Finance Officer (Constabulary) shall also be entitled to attend these meetings and will be given reasonable notice that a meeting is to take place.

9.3. Sole authority for decision making lies with the Commissioner and the Chief Constable (or their Deputies in their absence as permitted by law). Both corporations sole reserve the right to take decisions separately when relevant to fulfilling their separate legal roles.

10. PRIVATE AND PUBLIC MEETINGS

10.1. Management Board Meetings and Scrutiny Board Meetings may be in the form of public meetings or private meetings. A public meeting will be open to the public subject to Rule 14.1 and 15.2.

10.2. This rule does not apply to meetings, whose sole purpose is for officers to brief the Commissioner. For the purpose of this rule such a briefing is not a 'meeting'. Nor does this rule extend to early decisions where the Commissioner may decide to narrow the options under consideration provided that a final decision relating to a matter of significant public interest [see the Specified Information Order] is not decided at that meeting [see also Rule 1.7].

10.3. Decisions may only be taken at a Joint Management Board Meeting provided that the Commissioner's Chief Executive and/or Chief Finance Officer (OPCC), or their nominated deputies, are present, and where the Chief Constable or Deputy Chief Constable is in attendance, the Constabulary's Chief Finance Officer (Constabulary), or their nominated deputies, are present and/or have provided their advice in writing on the business to be transacted and there is an officer present with responsibility for recording and publishing the decision in accordance with Rule 12.

11. ACCESS TO NOTES OF MEETINGS AND REPORTS AFTER A MEETING

11.1. As soon as practicable after a meeting, the Office of the Police and Crime Commissioner will make copies of the following available via the Commissioner's website:

- (a) the notes of the meeting, including a brief summary of any proceedings of the meeting not open to the public without disclosing any exempt or confidential information considered;
- (b) a copy of signed decision reports relating to items when the meeting was open to the public.
- (c) a record of any conflict of interest /disclosable pecuniary interest declared by the Commissioner or Chief Constable / Deputy Chief Constable declared in accordance with their obligations under relevant ethical requirements/codes.

12. EXCLUSION OF PRESS AND PUBLIC ACCESS TO REPORTS

12.1. If the Chief Executive recommends, the Commissioner may exclude access by the public to reports which in the Chief Executive's opinion relate to items during which, in accordance with Rule 13, the meeting is likely not to be open to the public.

12.2. Such reports will be marked 'Official Sensitive' together with a description of the category of confidential/exempt information likely to be disclosed.

13. EXCLUSION OF PRESS AND PUBLIC FROM MEETINGS

13.1. The press and public will be excluded from meetings only if it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential or exempt information would be disclosed.

13.2. 'Confidential information' means information given to the Commissioner or Chief Constable by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by Court Order.

13.3. 'Exempt information' means information falling within the statutory categories (subject to any condition) described in Schedule 1 to these Rules.

13.4. Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the European Convention on Human Rights and the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

14. GENERAL DISTURBANCE

14.1. In the event of general disturbance which in the opinion of the person presiding makes the orderly dispatch of business impossible, the person presiding may, without question, adjourn the meeting for such period as they consider necessary.

14.2. If a member of the public interrupts the meeting the person presiding shall warn them. If that person continues the interruption the person presiding shall order their removal from the meeting. In case of general disturbance in any part of the meeting room open to the public the person presiding shall order that part of the room to be cleared.

15. CONFLICTS OF INTEREST

15.1. Where the Commissioner has a conflict of interest/disclosable pecuniary interest this shall be dealt with as set out in the Commissioner's Code of Conduct.

15.2. Where the Chief Constable/Deputy Chief Constable has a conflict of interest they shall comply with their obligations under the Police (Conduct) Regulations 2012 or Police (Conduct) Regulations 2020 to make any necessary declaration and take any other action and also comply with any Code of Ethics relevant and in force in relation to their role.

16. RECORDING OF PROCEEDINGS

16.1. No video, film, sound recording, photographic or like equipment shall be used during any meeting without the consent of the person presiding at the meeting.

17. POLICE AND CRIME PANEL ACCESS TO DOCUMENTS

17.1. The Police and Crime Panel will be able to access information made available by the Commissioner in accordance with paragraph 11.1

17.2. The Police and Crime Panel will not be entitled to:

- (a) any document that is in draft form;
- (b) any part of a document that contains exempt or confidential information as defined in rule 14;
- (c) any document which discloses advice of a member of the Commissioner's staff;
- (d) any information of the kind specified in s13 (2) of the Police Reform and Social Responsibility Act 2011 namely any information which:
 - (i) would, in the view of the chief officer of police, be against the interests of national security.
 - (ii) might, in the view of the chief officer of police, jeopardise the safety of any person,
 - (iii) might, in the view of the chief officer of police, prejudice the prevention or detection of crime, the apprehension or prosecution of offenders, or the administration of justice, or
 - (iv) is prohibited by or under any enactment

18. RECORD OF ATTENDANCE

18.1. Every individual attending a Joint Management Board or Scrutiny Board meeting, with the exception of members of the public, will be recorded as attendees within the minutes of the meeting.

19. INTERPRETATION OF RULES

19.1. All meetings will be conducted in accordance with these rules, but where any point of procedure is not covered, the matter shall be determined by the person presiding at the meeting, following advice from the Commissioner's statutory officers. Such rulings shall not be challenged at any meeting.

GUIDANCE: EXEMPT INFORMATION

The Freedom of Information Act 2000 and, specifically in relation to individuals, the Data Protection Act 2018 provides a number of categories of information (listed below) which may be considered exempt from the requirement to provide the public or individuals with papers relating to meetings. (Legal advice should be obtained if an individual seeks access to information within reports etc and is seeking to rely upon the Data Protection Act)

PUBLIC INTEREST TEST

A number of the categories require that the information can only be treated as exempt information if, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The term 'public interest' is not defined but put simply, the test is whether it "serves the interests of the public better to maintain the exemption or to disclose the information".

There is a presumption running through the Freedom of Information (FOI) legislation; that openness is in itself to be regarded as something which is in the public interest. The Information Commissioner has identified a number of public interest factors which encourage the disclosure of information, including the following:

- furthering the understanding of and participation in the public debate of current issues;
- promoting accountability and transparency by public authorities for decisions taken by them;
- promoting accountability and transparency in the spending of public money; and
- other factors which may need to be taken into account when considering whether it is in the public interest for an exemption to be maintained.

Report authors must first identify if information falls within an exempt category and then apply the Public Interest Test. The Commissioner's Head of Scrutiny, Planning & Compliance must be notified so as to ensure that an appropriate exemption category has been identified and applied and to advise as necessary.

The Public Interest Test must also be applied at the relevant meetings when considering whether or not to move into closed session. The decision-making body must be satisfied that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information and any resolution in connection with the matter should include words to reflect this.

FREEDOM OF INFORMATION ACT 2000: EXEMPTIONS

Section 21: Information accessible to the applicant by other means (absolute)

For example, information which the authority is required by law to communicate or publishes in the context of its approved publication scheme. It must be reasonably accessible to the applicant.

Section 22: Information intended for future publication (public interest test)

This applies where publication was planned at the time the request was made.

Section 23: Information supplied by or relating to bodies dealing with security matters (absolute)

This only applies to information supplied by or relating to one of the security bodies listed in the section.

Section 24: National security (public interest test)

Information that is not covered by section 23 above, but exemption is needed to safeguard national security.

Section 26: Defence (public interest test)

Information likely to prejudice national defence or the armed forces.

Section 27: International relations (public interest test)

Information likely to prejudice the UK's international relations or interests.

Section 28: Relations within the United Kingdom (public interest test)

Information likely to prejudice relations between the UK administrations: the UK Government, the National Assembly for Wales, the Scottish Administration and the executive committee of the Northern Ireland Assembly.

Section 29: The economy (public interest test)

Information likely to prejudice the economic interests of the UK or part of the UK, or the financial interests of the Government or any of the national administrations in the UK.

Section 30: Investigations and proceedings conducted by public authorities (public interest test)

Information held for the purpose of criminal investigations and proceedings and information obtained from confidential sources relating to these or civil proceedings arising out of them.

Section 31: Law enforcement (public interest test)

Information not covered by section 30 above, and which is likely to prejudice a wider range of investigations and conduct, including prevention of crime; assessment and collection of any tax, regulatory enforcement; health and safety; any civil proceedings.

Section 32: Court records (absolute)

Information that is only held as part of the documentation for a court or tribunal case, or a statutory inquiry.

Section 33: Audit (public interest test)

Applies to information held by public authorities which have functions relating to audit or examining the economy, efficiency and effectiveness of the use of resources of other public authorities; information is exempt if its disclosure is likely to prejudice those functions.

Section 34: Parliamentary privilege (absolute)

Section 35: Formulation of government policy (public interest test)

Information held by a Government Department or the National Assembly for Wales, relating to the formulation of Government policy.

Section 36: Prejudice to effective conduct of public affairs (public interest test)

Information that if disclosed would adversely affect the delivery of effective central government and other public services.

Section 37: Communications with the Royal Family and honours (public interest test)

Applies to two categories of information relating to: communications with His Majesty, other members of the Royal Family or the Royal Household and information relating to the conferring by the Crown of any honour or dignity.

Section 38: Health and safety (public interest test)

Information whose disclosure would be likely to endanger the physical or mental health or the safety of any individual.

Section 39: Environmental information

Exempts environmental information whose disclosure must be considered under the Environmental Information Regulations 2004: a specific regime to enable individuals to access environmental information, which includes its own exceptions from that right of access.

Section 40: Personal information (public interest test)

Personal data within the meaning of the Data Protection Act 1998. Section 40 applies to: requests for the personal data of the applicant him or herself or requests for the personal data of someone else (a third party).

Section 41: Information provided in confidence (absolute)

Provides an exemption to the right of access if the requested information was provided to the public authority in confidence.

Section 42: Legal professional privilege (public interest test)

Information that would be subject to legal professional privilege if litigation were in progress. Legal professional privilege covers confidential communications between lawyers and clients

and certain other information that is created for the purposes of litigation. Section 42 ensures that the confidential relationship between lawyer and client is protected.

Section 43: Commercial interests (public interest test)

Information where disclosure would be likely to prejudice the commercial interests of any person. It also includes a specific exemption for trade secrets.

Section 44: Prohibitions on disclosure (absolute)

Applies to three distinct categories of information:

- if there is an existing statutory bar to the disclosure of information by a public authority then that information will be exempt
- if disclosure would be incompatible with a European Community obligation then the information will be exempt
- if disclosure would constitute or be punishable as a contempt of court at common law (for example because it would breach a court order) then it will be exempt.



**Cheshire
Police & Crime
Commissioner**



**Cheshire
Constabulary**

CHAPTER 3 SCHEME OF CONSENT/DELEGATION

January 2026

Contents

Description

Introduction	3
Key roles of the Cheshire Police and Crime Commissioner	4
General principles of consent/delegation	4
Matters which are not consented to the Chief Constable and remain for decision by the Commissioner	6
Statutory functions and functions consented to the Chief Constable	8
Functions delegated to the Chief Executive of the Police and Crime Commissioner	13
Functions delegated to the Chief Finance Officer of the Police and Crime Commissioner	17

OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR CHESHIRE

SCHEME OF CONSENT/DELEGATION

1. INTRODUCTION

- 1.1. The Financial Management Code of Practice (FMCP), published by the Home Office in January 2012, lays out the purpose and content of a Scheme of Consent/Delegation which should be prepared by the Police and Crime Commissioner (the Commissioner) at the start of each financial year.
- 1.2. This Scheme:
 - (i) sets out how the Chief Constable will assist in the exercise of the Commissioner's functions;
 - (ii) sets out how the Chief Constable will exercise his power to carry out his own functions;
 - (iii) sets out how the Commissioner will delegate to his own staff;
 - (iv) sets out how the Commissioner expects the policing budget to be applied; and
 - (v) sets out how the Commissioner will hold the Chief Constable to account for day-to-day budget management
- 1.3. This Scheme also details the key roles of the Commissioner, and those functions which he delegates to the Chief Executive and the Commissioner's Chief Finance Officer, and those he consents to the Chief Constable.
- 1.4. This Scheme is supported by and should be read alongside the Financial Regulations and Code of Corporate Governance. The Code of Corporate Governance details the key roles of the Commissioner and Chief Constable. It also describes the arrangements and controls to ensure good governance in the two corporations sole. The key roles of the Chief Executive and the Chief Finance Officers are set out in the Financial Regulations.
- 1.5. This Scheme provides a framework to ensure that business is carried out efficiently and that decisions are not unnecessarily delayed.
- 1.6. Powers are given to the Chief Constable by legislation, orders, rules, regulations, and national conditions of employment.
- 1.7. This Scheme does not identify all the statutory duties which are contained in specific laws and regulations, nor does it attempt to list all matters which form part of everyday management responsibilities.

2. KEY ROLES OF THE POLICE AND CRIME COMMISSIONER

- 2.1. The Police Reform and Social Responsibility Act 2011 (“the Act”) provided for a directly elected Police and Crime Commissioner for Cheshire who is supported by the Office of the Police and Crime Commissioner.
- 2.2. The key legal powers and duties of the Commissioner are set out in the Policing Protocol Order 2023 and the Police Reform and Social Responsibility Act 2011.
- 2.3. The Commissioner has overall responsibility for the financial administration of his Office and the Constabulary, including any borrowing decisions. This Scheme and the financial regulations outline in further detail the respective financial roles and responsibilities of the Commissioner and the Chief Constable.
- 2.4. The Commissioner will receive all income including Government grant and precept (council tax income), and other sources of income, related to policing and crime reduction. All funding for the Constabulary must come via the Commissioner. How this money is allocated is for the Commissioner to decide, after consultation with the Chief Constable, or in accordance with any specific grant terms.
- 2.5. The Police and Crime Commissioner and the Chief Constable must have regard to the Strategic Policing Requirement when exercising and planning their policing functions in respect of Cheshire Police responsibilities.
- 2.6. The Cheshire Police and Crime Panel will scrutinise the Commissioner’s exercise of his statutory functions. The Panel consists of 13 individuals, 10 representing the four Cheshire Borough Councils and 3 independent persons. The Panel has a check and balance role solely in relation to the Commissioner, not the Chief Constable.

3. GENERAL PRINCIPLES OF CONSENT

- 3.1. The powers given to the Officers referred to in this Scheme should be exercised in line with the Commissioner’s delegation or consent, (as the case may be) the law, statutory and regulatory requirements, relevant professional guidance and advice, financial regulations and rules relating to contracts, and also approved policies, procedures, plans, strategies and budgets.
- 3.2. The Scheme provides sufficient conferment of consent/delegation to Officers to ensure that decisions are not unnecessarily delayed, whilst ensuring that individuals are properly protected from the risks associated with being the individual held to account.
- 3.3. Subject to paragraph 3.4, the Commissioner may, at any time, require that a specific matter is referred to him for a decision and not dealt with under powers of consent/delegation.
- 3.4. The Commissioner must not restrict the operational independence of the Constabulary and the Chief Constable who leads it.
- 3.5. The Commissioner may limit the powers which are consented/delegated and/or remove consent/delegation at any time.
- 3.6. With the exception of those matters listed in Section 4, the Scheme allows any person to whom a power has been consented or delegated, to sub-consent/sub delegate that power further to staff so long as this is not prohibited by statute, regulation or statutory guidance nor is it specifically prohibited by the Commissioner. Any such sub-consent/sub

delegation does not relieve the person who has sub-consented or sub-delegated a power from due responsibility for any decision taken by a person they have authorised to act on their behalf. Where a matter is consented to the Chief Constable, the Chief Constable may arrange for any of their officers or staff to undertake the consented function on their behalf via a Constabulary Scheme of Delegation. Whilst the content of any such Scheme is a matter for the Chief Constable, the Commissioner expects to be consulted on the content of any such Scheme and any changes to it.

- 3.7. Giving consent/delegation to officers under this Scheme does not prevent an officer from referring the matter to the Commissioner for a decision if the officer thinks this is appropriate (for example, because of sensitive issues or any matter which may have a significant financial or reputational implication).
- 3.8. The Commissioner is responsible for ensuring that the provisions and obligations of this Scheme are properly drawn to the attention of the Chief Executive and all the Commissioner's staff. The Chief Constable is responsible for making sure that the provisions and obligations of this Scheme are properly drawn to the attention of all officers and staff under his responsibility or employment.
- 3.9. Notwithstanding any specific requirements in this Scheme, the Commissioner shall be consulted in relation to any projects/areas of work which may have a significant impact on the community of Cheshire. The Commissioner shall be consulted at both outline business case and full business case stages including any evaluation of such business case. In addition, the Commissioner shall approve the terms of reference and governance arrangements for projects which propose collaborative working with third parties.
- 3.10. The person appointed as the Chief Executive (who will also be the Monitoring Officer) and the Commissioner's Chief Finance Officer (Section 151 officer) have statutory powers and duties relating to their positions and therefore do not rely on a specific delegation to carry out these powers. Similar considerations apply to the Chief Finance Officer (Constabulary) (Section 151 Officer) and Chief Legal Officer (Monitoring Officer) of the Constabulary.
- 3.11. When carrying out any functions, the Commissioner and his staff must have regard to:
 - (i) The views of people in Cheshire, obtained through consultation
 - (ii) Any report or recommendation made by the Police and Crime Panel on the annual report for the previous year
 - (iii) The Police and Crime Plan and any guidance issued by the Secretary of State.

(This list is a summary and is not exhaustive.)
- 3.12. The Commissioner's governance framework, including this Scheme, will be reviewed annually or at any other time the Commissioner decides is appropriate.
- 3.13. In accordance with Section 18 of the Police Reform and Social Responsibility Act 2011, the following matters shall be reserved for decision by the Commissioner:
 - a) Issuing a Police and Crime Plan;
 - b) Determining police and crime objectives;

- c) Attendance at a meeting of a Police & Crime Panel in compliance with a requirement by the Panel to do so;
 - d) Preparing an annual report to the Police & Crime Panel;
 - e) Appointing and suspending the Chief Constable or calling upon the Chief Constable to retire or resign; and
 - f) Calculating a budget requirement.
- 3.14. The Commissioner may make arrangements for a Deputy Commissioner, where appointed, to exercise certain functions of the Commissioner with the exception of those functions which cannot be delegated (see paragraph 3.15 below). Any such delegation of functions shall be given in writing by the Commissioner to the Deputy Commissioner and copied to the Chief Executive who shall maintain a record of the same.
- 3.15. Whilst the Commissioner may delegate certain functions to the Deputy Police & Crime Commissioner, the Commissioner may not arrange for the Deputy Police & Crime Commissioner to exercise the following functions:
- a) Issuing a Police and Crime Plan;
 - b) Appointing and suspending the Chief Constable or calling upon the Chief Constable to retire or resign; and
 - c) Calculating a budget requirement.

4. MATTERS WHICH ARE NOT CONSENTED TO THE CHIEF CONSTABLE AND REMAIN FOR DECISION BY THE COMMISSIONER

In addition to those responsibilities which the Commissioner is prevented from consenting to others under the Police Reform and Social Responsibility Act 2011, there are a number of matters which the Commissioner does not give consent. These matters, which will require the Commissioner's specific approval, are set out below:

4.1. Finance

- 4.1.1. The Medium-Term Financial Strategy, covering the financial scenario for the following four years and annual draft revenue and capital budgets, with associated savings plans to meet the scenario.
- 4.1.2. The reserves strategy, covering all reserves, and also contingencies within the budget. The use of all reserves will need to be approved by the Commissioner.
- 4.1.3. In accordance with his statutory functions, the determination of the annual budget, capital programme, precept, and council tax, which forms the first year of the Strategy. As well as approving the total annual revenue budget, the Commissioner will also annually approve, in consultation with the Chief Constable, the manner in which the total budget is to be divided (and sub divided) for reporting and financial management purposes (referred to in this document as budget heads). Within any such budget heads, any budgets relating to pay shall be ring fenced (i.e. prevented from being used for any other purpose without specific approval).
- 4.1.4. The Commissioner's Chief Finance Officer must be notified of any proposed additional expenditure of £150,000 or more within one budget head to be funded by virement from another. The Commissioner's Chief Finance Officer has the power to approve proposals or refer the matter to the Commissioner for a decision.
- 4.1.5. Revenue or capital expenditure proposals which have not been agreed as part of the annual budget process (and are therefore unfunded), and/or which would involve future

year commitments, (excepting contracts or other matters which the Commissioner has consented to.)

- 4.1.6. The approval of additional capital expenditure of £150,000 or above on individual capital schemes unless it can be funded by virement and does not constitute a change in policy.
- 4.1.7. The use of additional revenue and/or capital savings/underspends/income against the budget.
- 4.1.8. The annual carry forward of underspends/overspends.
- 4.1.9. The write off of pension and salary overpayments where any individual debt is over £10,000.
- 4.1.10. The write off of individual non pay debts over £10,000.
- 4.1.11. The writing off of any debt which is likely to involve reputational issues. The Chief Constable should draw any potential cases of this nature to the attention of the Commissioner's Chief Finance Officer who will decide whether the write off should be referred to the Commissioner for approval.
- 4.1.12. Any proposal involving the provision of sponsorship, gifts, and loans to the Constabulary by a third party which may have reputational implications or involve costs/future years commitments above £10,000 for the Commissioner or Constabulary.
- 4.1.13. The opening/closing of any bank accounts, except covert accounts which should be maintained in accordance with the financial regulations.
- 4.1.14. Approval of all loans and investments.

4.2. **People Services**

- 4.2.1. The establishment levels for police officers, police staff, PCSOs and Special Constables (i.e. total number of FTEs in each category) with the exception of minor temporary changes (see Chapter 4, paragraph 4.1.3.1) which support the Commissioner's objectives and can be contained within existing budget.

4.3. **Strategies and Policies**

- 4.3.1. Those organisational strategies and policies which underpin the delivery of the Police and Crime Plan and the Medium-Term Financial Strategy, and any changes to those policies. Such strategies and policies will include:

- (i) People Strategy
- (ii) Estates Strategy
- (iii) Procurement Strategy
- (iv) IT & Digital Strategy
- (v) Fleet Strategy
- (vi) Asset Management Strategy
- (vii) Fees and Charges Handbook

The Commissioner shall agree, if requested, a list of those policies/strategies which will not require his specific consent.

4.4. **Procurement**

- 4.4.1. The procurement of and the entering into of contracts for goods and /or services with an aggregate value over the lifetime of the contract above £150,000.
- 4.4.2. The approval of extensions to contracts which fall outside the agreed terms of the contract.

4.5. **Property**

- 4.5.1. The acquisition or disposal of land or property or acquisition or grant of any interest or right in, of property owned by the Commissioner including the lease or rental of such land or property (except for covert operational reasons or short-term rentals below one month e.g. room hire for training purposes).

4.6. **Other**

- 4.6.1. The giving of indemnities or guarantees to third parties other than where the extent of the liability granted in the indemnity or guarantee is within the budget approved for that purpose.
- 4.6.2. The entering into of collaboration agreements under the Police Act 1996 (as amended) and any other significant joint ventures.

5. **STATUTORY FUNCTIONS AND FUNCTIONS CONSENTED TO THE CHIEF CONSTABLE**

- 5.1. The Chief Constable is accountable for the exercise of police powers, and to the Police and Crime Commissioner for the delivery of efficient and effective policing, and the management of resources and expenditure by the Constabulary.
- 5.2. The extent of the legal capacity and powers of the Chief Constable in this context are set out in Schedule 2 of the Police Reform & Social Responsibility Act 2011, in particular paragraph 7 states:-

"7(1) A Chief Constable may do anything which is calculated to facilitate, or is conducive or incidental to the exercise of the functions of a Chief Constable

(2) That includes -

- (a) entering into contracts and other agreements (whether legally binding or not) but only with the consent of the relevant Police & Crime Commissioner
- (b) acquiring and disposing of property, apart from land, but only with the consent of the relevant Police & Crime Commissioner.

(4) Sub paragraph (2)(a) does not require the Chief Constable to obtain the consent of the relevant Police & Crime Commissioner in order to enter into a contract or other agreement with a person -

- (a) by virtue of which the person becomes, or is, a member of the police force's civilian staff, or
- (b) which otherwise relates to the person's membership of that civilian staff (including the terms and conditions of the person's membership)

(5) This paragraph is subject to the other provisions of this Act and to any other enactment about the powers of Chief Constables"

- 5.3. In summary therefore, the Commissioner has the powers to determine how much funding should be allocated to the Constabulary having regard to his statutory

responsibilities for the totality of policing in Cheshire; the Police and Crime Plan and the Strategic Policing Requirement) and may set parameters on how (and on what) it may be spent, and therefore which areas may require his prior approval before any expenditure is undertaken. In addition, the Chief Constable (as a corporation sole) may only have the legal capacity to enter into certain arrangements, as defined in Paragraph 7 of Schedule 2 of the 2011 Act, with the consent of the Commissioner. For example, the Chief Constable may not borrow money without the prior consent of the Commissioner.

- 5.4. The Chief Constable is responsible to the public and accountable to the Commissioner for:
- (i) Supporting the Commissioner in the delivery of the Police and Crime Plan and to have regard to the contents of the Plan in exercising his functions.
 - (ii) Providing the Commissioner with access to information, officers and staff as required in accordance with the agreed Service Level Agreement/Memorandum of Understanding on the provision of professional, transactional, and other support services.
 - (iii) Having regard to the Strategic Policing Requirement when exercising and planning his policing functions.
 - (iv) Notifying and briefing the Commissioner of any matter or investigation on which he may need to provide public assurance either alone or with the Commissioner. All Commissioners will be designated as Crown Servants under the Official Secrets Act 1989 making them subject to the same provisions in relation to sensitive material as Ministers of State.
 - (v) Being the operational voice of policing in Cheshire and regularly explain to the public the operational actions of officers and staff under their command.
 - (vi) remaining politically independent.
 - (vii) managing all complaints against the force, its officers and staff, ensuring they are allocated for investigation at the appropriate level, except in relation to the Chief Constable, and to ensure that the Commissioner is kept informed to enable him/her to discharge their statutory obligations in relation to complaints in a regular meaningful and timely fashion. Serious complaints and conduct matters must be referred to the Independent Office for Police Conduct (IOPC).
- 5.5. The Chief Constable is responsible for the following functions under this Scheme, some of which by virtue of a consent given by the Commissioner. In so far as he is empowered to do so, the Commissioner consents to the Chief Constable taking such action and carrying out such functions in relation to the resources allocated to him as is necessary for the Chief Constable to exercise his policing functions, but excluding those matters specifically non consented and set out in section 4 of this Scheme.
- 5.6. In relation to functions in section 4 which may not be exercised without the consent of the Commissioner, where there is any doubt in relation to interpretation, the issue shall be referred to the Commissioner for a decision.

5.7. Finance

- 5.7.1. Under the Police Reform and Social Responsibility Act 2011, the Chief Constable must appoint a qualified accountant as Chief Finance Officer to be responsible for the proper administration of the Constabulary's financial affairs.
- 5.7.2. The Chief Finance Officer (Constabulary) must ensure that the financial affairs of the Constabulary are properly administered having regard to the need to uphold their probity, legality, and appropriate standards.
- 5.7.3. The Commissioner consents to the Chief Constable taking all steps reasonably necessary to manage and administer the budget and other resources allocated to him by the Commissioner including the following:
 - 5.7.3.1. Undertake the day-to-day management of the budget provided to the Constabulary in accordance with financial regulations.
 - 5.7.3.2. Prepare business cases for revenue and capital expenditure.
 - 5.7.3.3. Commit expenditure within the approved budget to meet the strategies agreed with the Commissioner and the objectives reflected in the Police and Crime Plan.
 - 5.7.3.4. In accordance with financial regulations, approve, transfer or vire budgets between budget headings, on a permanent or temporary basis for all individual amounts below £150,000 providing there are no future year commitments, and the Commissioner is notified through the budget monitoring process.
 - 5.7.3.5. Approve the submission of bids for grant funding below £150,000.
 - 5.7.3.6. Approve all agreements for the provision of services to other organisations with a value below £150,000. This does not apply to the provision of mutual aid by the Chief Constable nor advice or assistance to international organisations under the Police Act 1996, which are operational matters and exempt but is subject to consultation with the Commissioner.
 - 5.7.3.7. Approve the provision of policing services to external bodies where the contract is less than £150,000 and budget to provide such services exists.
 - 5.7.3.8. Undertake the day-to-day management of the insurance function with the proviso that the Commissioner's Chief Finance Officer is consulted on all insurance arrangements to ensure they are adequate and represent best value for money.
 - 5.7.3.9. Approve provision of police advice and assistance to international agencies where budget exists.
 - 5.7.3.10. Manage covert accounts in accordance with financial regulations.
 - 5.7.3.11. The write off of pension and salary overpayments where any individual debt is below £10,000 up to a cumulative annual limit of £50,000.
 - 5.7.3.12. The write off of individual non pay debts up to a value of £10,000.

5.8. **Procurement**

- 5.8.1. Undertake the day-to-day management of the procurement function in accordance with financial regulations and the Procurement Strategy agreed by the Commissioner.
- 5.8.2. The procurement of and the entering into of contracts in his own right for goods and /or services with an aggregate value over the lifetime of the contract below £150,000.
- 5.8.3. The approval of extensions to contracts which fall within the agreed terms of the contract.
- 5.8.4. The approval of agreements which enable the Commissioner to access framework contracts or similar arrangements.

5.9. **Property**

- 5.9.1. Manage and maintain the Commissioner's estate in accordance with approved strategies and within the agreed budget.
- 5.9.2. Maintain an asset register of all property and major assets owned by the Commissioner or leased by him.

5.10. **Legal**

- 5.10.1. Approve the settlement of any claim for damages less than £150,000 or other compensation (plus costs incurred or predicted to date) unless the claim:
 - (i) Involves a party including a member of the Senior Command Team; or
 - (ii) In the opinion of the Chief Legal Officer, after consultation with the Chief Executive, there is a perceived public interest or reputational risk in the case; or
 - (iii) In the opinion of the Chief Legal Officer, after consultation with the Chief Executive, it is in the nature of a test case; or
 - (iv) requires a settlement agreement under the Employment Rights Act 1996 or other relevant provision as it relates to the rights of the parties as employer/ employee - in such cases the provisions to seek approval in paragraph 6.3.7 will apply.

In such circumstances, the matter will be referred to the Commissioner's Chief Executive for a decision. The Chief Constable must submit an annual report on the settlement of any claims to the Commissioner under this paragraph.

- 5.10.2. Institute, defend or participate in legal actions to protect the interests of Cheshire Constabulary.
- 5.10.3. Provide advice, institute and defend legal proceedings on behalf of the Commissioner when requested by the Commissioner to do so.
- 5.10.4. Entering into legal agreements, interagency memoranda, and protocols with third parties, except where such agreement includes the procurement of goods or services and/or revenue or capital expenditure above £150,000 or otherwise is reserved to the Commissioner to approve.

5.11. **People Services**

- 5.11.1. To manage, as far as is allowed by Government directives and any policies agreed by the Commissioner, the numbers, locations, ranks and grading of police staff and police officers within the overall workforce budget, establishment and the Police and Crime Plan approved by the Commissioner (except for posts at chief-officer level which the Commissioner should be specifically consulted on).
- 5.11.2. To appoint all Constabulary officers and staff, after consultation with the Commissioner on posts above the rank of Chief Superintendent and police staff equivalent.
- 5.11.3. To authorise, in line with police staff conditions of service and agreed policies, the suspension or dismissal of any staff not appointed by the Commissioner.
- 5.11.4. Subject to the requirement for the financial implications to be approved by the Commissioner (as set out at Chapter 4 of this Scheme) and in line with the agreed policies, to approve the retirements, voluntary severances or redundancies, in the interests of the efficiency of the service, of staff where sums are within budget and to report to the Commissioner on this issue each year. In respect of redundancies, the Chief Executive shall be consulted prior to the redundancies being confirmed.
- 5.11.5. Notwithstanding the requirement at paragraph 4.2.2, the Commissioner must be consulted on all appointments, early or ill health retirements, voluntary severances, redundancy, suspensions, dismissals relating to the Senior Command Team.
- 5.11.6. To approve the appointment or secondment of police officers for central services or overseas duty, subject to relevant statistics being presented to the Commissioner on an annual basis.
- 5.11.7. With the agreement of the Commissioner to bring national agreements on salaries, wages, and conditions into effect. Any issues which are potentially sensitive or have major financial implications will be reported to the Commissioner at the earliest possible opportunity.
- 5.11.8. To inform the Commissioner in advance of any proposed negotiations with recognised trade unions and staff associations on any matters that can be decided locally. All agreements reached must be reported back to the Commissioner.
- 5.11.9. To grant essential or casual car-user allowances or authorisation of individual staff for car leasing schemes.
- 5.11.10. The making of awards and commendations to officers and staff of the Constabulary.
- 5.11.11. To approve the retirement of police officers and police staff on the grounds of ill health, and the payment of ordinary and ill-health pensions and other payments in accordance with agreed policies, following advice from the Force Medical Examiner or a medical practitioner. However, the Commissioner must be consulted on the retirement of any member of the Senior Command Team. All ill-health retirements must be reported to the Commissioner on a quarterly basis.

5.12. **Other**

- 5.12.1. To exercise the powers and duties of the Police (Property) Regulations 1997 by:

- (i) authorising, where appropriate, requests to donate unclaimed lost property to charity;
- (ii) approve the keeping of unclaimed lost property if it can be put to good use for police purposes; and
- (iii) receiving proceeds from sold property and then keeping, investing, and making payments for charitable purposes from such proceeds.

5.12.2. To discharge his statutory duties for health and safety matters.

6. FUNCTIONS DELEGATED TO THE CHIEF EXECUTIVE OF THE COMMISSIONER

6.1. The Chief Executive is the head of paid service and is also the Monitoring Officer for the Commissioner. The powers listed below, are those delegated to the Chief Executive; for him to exercise on the Commissioner's behalf in accordance with this Scheme.

6.2. General

6.2.1. To act as 'head of paid service' under section 4 of the Local Government and Housing Act 1989 and to take all action necessary to ensure the effective and efficient management of the Office of the Police and Crime Commissioner and its staff. (This includes a duty to prepare a report to the Commissioner, where the Head of Paid Service considers it appropriate, on the manner in which the Commissioner's functions are co-ordinated, the number and grade of staff required and the organisation, appointment, and proper management of those staff.)

6.2.2. In the absence of the Commissioner (defined as leave or illness or other exceptional circumstances) where contact with him is not possible and a decision of an urgent nature is required to protect the interests of the organisation, the Commissioner delegates decisions in relation to the exercise of his statutory functions to the Chief Executive (in consultation with the Commissioner's section 151 Officer where practicable) with the exception of those powers which cannot be delegated (see paragraph 3.13). Upon the Commissioner's return, any decisions made by the Chief Executive under this paragraph will be reported for information to the next Joint Management Board meeting.

6.2.3. To prepare the Police and Crime Plan for submission to and determination by, the Commissioner.

6.2.4. To prepare an annual report for submission to and determination by, the Commissioner.

6.2.5. To provide information to the Police and Crime Panel, as reasonably required to enable the Panel to carry out its functions.

6.3. Legal

6.3.1. Act as 'Monitoring Officer' under section 5(1) of the Local Government and Housing Act 1989.

6.3.2. Act as "Proper Officer" to deal with various administrative matters involving the Commissioner, including without limitation any issues arising in respect of the General Data Protection Regulation (GDPR), Data Protection Act 2018, and the Freedom of Information Act 2000.

- 6.3.3. Sign or seal all contracts and seal all other legal documents on behalf of the Commissioner.
- 6.3.4. Commission and approve the Commissioner's Equality Impact Assessments.
- 6.3.5. Approve the financial settlement of claims or requests for compensation because:-
- (i) The amount to be paid is more than £150,000; or
 - (ii) They involve a claimant including a member of the Senior Command Team; or
 - (iii) In the Chief Executive's opinion, after consultation with the Chief Legal Officer, there is a real or perceived public interest in the case; or
 - (iv) In the Chief Executive's opinion, after consultation with the Chief Legal Officer, it is in the nature of a test case.
- 6.3.6. Approve all requests for financial assistance in relation to legal proceedings or inquests.
- 6.3.7. Approve the financial implications of settlement agreements prior to finalisation to ensure they accord with best value principles and will not damage the reputation of the Commissioner. Where the Commissioner has approved a Settlement Agreement Policy, the requirement to seek approval shall only apply to proposed agreements which do not comply with it.
- 6.3.8. Following consultation with the Commissioner, institute, defend or participate in any legal proceedings on behalf of the Commissioner in any case where such action is necessary to give effect to the decisions of the Commissioner or in any case where the Chief Legal Officer, considers that such action is necessary to protect the Commissioner's interests.
- 6.4. **Financial**
- 6.4.1. The financial management responsibilities of the Chief Executive are set out in the Financial Regulations.
- 6.5. **People Services**
- 6.5.1. To appoint and dismiss and to agree the terms of any other termination of employment, in consultation with the Commissioner, for staff who are employed by the Commissioner, except the role of Chief Executive which remains the responsibility of the Commissioner.
- 6.5.2. To make recommendations to the Commissioner with regard to terms and conditions of service for staff who are employed by the Commissioner, except for the role of Chief Executive which remains the responsibility of the Commissioner.
- 6.5.3. To make all discretionary decisions under the Local Government Superannuation Scheme in respect of those staff who are employed by the Commissioner, except for the role of Chief Executive which remains the responsibility of the Commissioner.
- 6.5.4. To undertake the management of staffing resources for all staff employed by the Commissioner in line with agreed policies and procedures.

- 6.5.5. To approve the financial implications of staffing changes not previously approved in setting the annual budget or specifically agreed by the Commissioner, subject to the changes being in line with the Commissioner's agreed objectives and contained within the existing budget. Approvals made under this delegation will be reported on a quarterly basis to the Chief Executive.
- 6.5.6. To exercise any of the Commissioner's functions which fall to be discharged in relation to pensions and conduct matters for officers and staff of the Constabulary and the Commissioner's Office (except relating to himself as Chief Executive) including in accordance with Regulations which are in force from time to time.
- 6.5.7. To make arrangement for appeals against decisions of the Senior Administrator of the Local Government Pension Scheme, in line with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996.
- 6.5.8. To make arrangements for dealing with complaints against the Chief Constable including:
 - (i) where appropriate, to ensure an informal resolution of a complaint outside of Schedule 3 of the Police Reform Act 2002.
 - (ii) to determine whether a complaint should be referred to the Independent Office for Police Conduct (IOPC) in accordance with the definition of mandatory and voluntary referrals set out in the appropriate guidance;
 - (iii) to appoint an investigating officer to investigate a recordable complaint in accordance with the appropriate regulations;
 - (iv) where an investigation has been undertaken, to ensure a suitable report is presented to the Commissioner to enable a decision to be made on the action to be taken.
 - (v) to determine whether a recorded complaint is suitable for reasonable and proportional handling, and if so to appoint a person to locally resolve the complaint;
- 6.5.9. In relation to a grievance against the Chief Constable, to take the appropriate action to investigate the grievance, applying as appropriate the grievance procedure, and reporting the outcome to the Commissioner to enable appropriate action to be taken to resolve the grievance.
- 6.5.10. To make arrangements for dealing with an application for review following the outcome of a complaint from Cheshire Constabulary, ensuring a determination and outcome is provided as the relevant review body.
- 6.5.11. To discharge functions and responsibilities in respect of Police Misconduct Hearings and Police Appeal Tribunals, on behalf of the Commissioner, including the appointment of Panel members of the Hearing or Tribunals and granting of indemnities.
- 6.5.12. To appoint or reappoint Independent Custody Visitors and other volunteers managed by the Office of the Police and Crime Commissioner and terminate appointments if necessary.

6.6. **Other**

- 6.6.1. To respond to consultations on proposals affecting the Commissioner, if necessary, after first taking the views of the Commissioner, the Commissioner's Chief Finance Officer, or the Chief Constable, as appropriate.
- 6.6.2. To arrange for the provision of professional services (including obtaining independent legal advice in cases of potential conflict of interest following discussions with the Chief Legal Officer) as required by the Commissioner.
- 6.6.3. To make sure appropriate arrangements are made to gather the views of the community and victims of crime on the policing of Cheshire and the prevention of crime.
- 6.6.4. To determine claims submitted under the Riot (Damages) Act 1886, in consultation with the Commissioner's Chief Finance Officer and the Chief Constable as appropriate. To ensure the Commissioner is briefed on the number and value of claims, the Chief Finance Officer (OPCC) provides appropriate reports to the Commissioner on the outcome of all claims and the implications on the Commissioner's budget.
- 6.6.5. In relation to the Commissioner's land and property, to serve notices to quit and notices to terminate its use or occupation, and to institute court proceedings to recover arrears of rent and other payments or to recover possession from occupiers and users.
- 6.6.6. To discharge the Commissioner's statutory duty for health and safety matters.
- 6.6.7. To keep the common seal of the Commissioner. The seal shall be attested by the Chief Executive or any other person authorised in writing by him. An entry of every sealing should be made and consecutively numbered in a book and kept by the person who attested the seal.
- 6.6.8. In accordance with paragraph 3.6 in this Scheme, to authorise in writing a named officer or officers to exercise any or all of the powers authorised to be exercised by the Chief Executive except for this power.

7. FUNCTIONS DELEGATED TO THE CHIEF FINANCE OFFICER OF THE COMMISSIONER

- 7.1. The Chief Finance Officer to the Commissioner has statutory responsibility to manage the Commissioner's financial affairs as set out in Section 151 of the Local Government Act 1972, Section 112 and Section 114 of the Local Government Finance Act 1988 and other statutory and regulatory enactments including the Accounts and Audit Regulations.
- 7.2. The Chief Finance Officer must ensure that the financial affairs of the Commissioner and the Constabulary are properly administered having regard to the need to uphold their probity, legality, and appropriate standards.
- 7.3. The detailed financial management responsibilities of the Commissioner's Chief Finance Officer are set out in the Financial Regulations. However, the key areas which are delegated to the Commissioner's Chief Finance Officer are summarised below:
- 7.3.1. To seek assurances that there are appropriate arrangements in place within Cheshire Constabulary for its financial management.
- 7.3.2. To be responsible for all banking arrangements, together with creating, closing, or authorising all bank accounts of the Commissioner or Constabulary (except covert accounts).
- 7.3.3. To approve the arrangements for securing and preparing the Group accounts and the Commissioner's accounts and seek assurances that there are appropriate arrangements in place for the preparation of the Constabulary's accounts.
- 7.3.4. To authorise payments, without having to obtain approval and regardless of whether or not provision has been made in the revenue budget in relation to:
- (i) payments required by law
 - (ii) payments ordered by the court
 - (iii) payments due under any agreement entered into by the Commissioner.
- 7.3.5. To prepare draft financial regulations and rules relating to contracts in consultation with the Chief Finance Officer (Constabulary) and the Chief Legal Officer for approval by the Commissioner.
- 7.3.6. To approve the arrangements for the treasury management function, including the day-to-day management, the production of the treasury management strategy, borrowing and investment and supporting policies and procedures.
- 7.3.7. To ensure an adequate and effective internal audit service is provided.

8. REPORTING REQUIREMENTS

- 8.1. Notwithstanding that the Commissioner has granted the consents/delegations outlined in the Scheme, Officers will be obliged to report on matters to the Commissioner as required within this Scheme, the financial regulations, and as otherwise directed by the Commissioner in a format and frequency specified by the Commissioner.



**Cheshire
Police & Crime
Commissioner**



**Cheshire
Constabulary**

CHAPTER 4 FINANCIAL REGULATIONS

January 2026

<u>Chapter</u>	<u>Page</u>
1.0 Introduction	3
2.0 Financial Management	4
Accounting policies	4
Statement of Accounts	5
Audit	5
Integrity - preventing fraud & corruption	6
Risk management & insurance	6
3.0 Strategic Financial Planning	16
Medium term financial planning	16
Budget preparation and precept	17
Use of reserves & provisions	18
4.0 Resource Management	21
Staffing (including Pensions)	21
Revenue expenditure	26
Capital Programme	30
Budget virement	32
5.0 Asset Management	34
6.0 Cash Management	37
Banking	37
Loans & investments	38
Imprest accounts	39
Income (cash & invoiced)	39
7.0 Collaborations and Partnerships	42
8.0 Commissioning of Services	47
9.0 Other financial issues	49
Funding	49
Taxation	51
10.0 Procurement and Contracts	53
Glossary	80

1. INTRODUCTION

Why do we have financial regulations?

- 1.1 Under Section 151 of the Local Government Act 1972 “every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. In addition under Schedule 1 and 2 of the Police Reform and Social Responsibility Act 2011, the Police & Crime Commissioner (the Commissioner) and Chief Constable are obliged to appoint a person to be responsible for the proper administration of the financial affairs of their respective Corporation Sole.
- 1.2 To meet the above statutory requirements, the Chief Finance Officer for the Office of the Police & Crime Commissioner and the Chief Finance Officer for the Constabulary will act as the Section 151 Officers.
- 1.3 These financial regulations are produced to meet the above Section 151 requirements and apply to the Commissioner, the Chief Constable and their respective officers and staff. The regulations also take into account the requirements of the Financial Management Code of Practice (October 2013) and the Commissioner’s Scheme of Consent/Delegation.
- 1.4 The Chief Finance Officer (OPCC) is responsible for maintaining these Regulations and advising the Commissioner of any changes required. Both the Chief Finance Officer (OPCC) and the Chief Finance Officer (Constabulary) are responsible for reporting, where appropriate, any breaches of the Regulations to the Commissioner, the Chief Constable and the Joint Audit Advisory Committee.
- 1.5 The objective of these Regulations is to maintain sound and proper financial arrangements; to explain to readers why safeguards and controls are important and necessary; to profile a framework for financial management which will enable, wherever possible, managerial and financial responsibilities to be aligned and safeguard all officers and staff.
- 1.6 The last point is most important as without clearly defined financial procedures and arrangements, officers and staff could find themselves in an invidious and vulnerable situation. The observance of these Regulations and any associated Schemes of Delegation is very much in each individual’s own interest.
- 1.7 Both Officers and Staff have a general responsibility for taking all reasonable actions to provide for the security of the assets under their control and for ensuring the use of those assets (including money) is lawful, is properly authorised and provides value for money.
- 1.8 Any infringements of these Regulations may result in disciplinary proceedings being taken against the individuals concerned.

2. FINANCIAL MANAGEMENT

Why is this important?

- 2.1 All officers and staff have a duty to operate under the highest standards of probity and integrity in dealing with financial matters. This is achieved by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.
- 2.2 The key themes are:
- The promotion of probity and integrity throughout the Office of Commissioner and the Constabulary.
 - Everyone takes reasonable steps to ensure the prevention and detection of fraud and other irregularities.
 - Monitoring systems are in place to review compliance with the agreed financial standards, policies and processes with any exceptions being reported to the Chief Finance Officer (OPCC) or Chief Finance Officer (Constabulary).
- 2.3 Accounting policies
- 2.3.1 Proper accounting records are one of the ways in which the Commissioner and Chief Constable discharge their responsibilities for stewardship of public money. The Commissioner and Chief Constable have a statutory responsibility to ensure the annual accounts are prepared to present a 'true and fair view' of the corporations' sole expenditure and income during the year. These accounts are prepared using the agreed accounting policies which must be reflected in the way such accounting records are kept during the year. These are subject to statutory external audit which provides assurance to the Commissioner, the Chief Constable and the public of Cheshire that the accounting policies and practices have been followed and that arrangements have been made for securing value for money.
- 2.3.2 The key controls are:
- Suitable accounting policies are selected, approved and applied consistently
 - Judgements are made and estimates prepared which are reasonable and prudent
 - Statutory and other professional requirements are observed to maintain proper accounting records
 - All reasonable steps have been taken for the prevention and detection of fraud and other irregularities
 - All officers and staff operate within the relevant accounting standards
 - All the Commissioner and Constabulary transactions, material commitments, contingent assets and liabilities, contract and other essential accounting information have been recorded completely, accurately and in a timely manner
 - Procedures are in place to enable accounting records to be reconstituted in the event of any failure and all documents are retained as per the Document Retention Policy
 - Balances and reconciliation procedures are carried out regularly and recorded as such.

2.4 Statements of Accounts

2.4.1 The Group Statement of Accounts, the Commissioner's and the Chief Constable's individual Statements of Accounts and the Commissioner's Annual Report are vital aspects in demonstrating both the Commissioner's and Chief Constable's stewardship of public money in delivering policing services to the communities of Cheshire and provide financial information including:

- The cost of services provided in year
- How those services were paid for
- What was owned and owed at the end of the financial year

2.4.2 The key controls are:

- The statutory regulations and guidance
- Internal audit review of financial system controls
- External audit review and opinion
- Advice by the Joint Audit Advisory Committee

2.5 Audit

2.5.1 There are two types of audit, internal and external.

Internal audit is an independent and objective appraisal function for reviewing an organisation's system of internal control. It examines, evaluates and reports on the adequacy of internal control to those charged with governance and the Joint Audit Advisory Committee. The Chief Finance Officer (OPCC) and Chief Finance Officer (Constabulary) have a responsibility for maintaining an adequate and effective internal audit under the Accounts and Audit (England) Regulations 2015.

The basic duties of external audit are governed by the Local Audit and Accountability Act 2014, under which auditors must satisfy themselves that:

- The accounts are prepared in accordance with the relevant regulations
- They comply with the requirements of all other statutory provisions applicable to the accounts
- Proper practice has been observed in compilation of the accounts
- The Commissioner and Chief Constable made proper arrangements for securing economy, efficiency and effectiveness.

2.5.2 The key controls for internal and external audit are:

- It remains independent in its planning and operation
- Auditors have direct access to the Commissioner, Chief Executive, Chief Finance Officer (OPCC), Chief Constable, Chief Finance Officer (Constabulary) and the Joint Audit Advisory Committee
- All audit work complies with the current Accounts and Audit Regulations, statutory guidance and relevant professional codes of practice.

2.6 Integrity - preventing fraud and corruption

- 2.6.1 Both the Commissioner and Chief Constable will not tolerate fraud and corruption in the administration of their responsibilities whether from the Office of Commissioner or inside or outside the Constabulary. Any such activity is likely to involve disciplinary proceedings being taken against the individuals concerned. Both organisations have Confidential Reporting policies which are available via the intranet or through the Professional Standards Department.
- 2.6.2 The expectation of propriety and accountability is that all officers and staff at all levels will lead by example in ensuring adherence to legal requirements, regulations, procedures and practices.
- 2.6.3 The Commissioner and Chief Constable also expect that individuals and organisations with which they come into contact, will act with integrity towards them and do their utmost to avoid / prevent fraud and corruption.
- 2.6.4 The key controls are:
- The culture and style of each organisation is one of openness, honesty and opposition to fraud and corruption and where all officers and staff act with the utmost integrity and lead by example
 - All individuals and organisations associated in any way with the Office of Commissioner or Constabulary will act with the utmost integrity and comply with all appropriate legislation including the Bribery Act 2010
 - Systems, checks and controls are in place to both prevent and detect fraudulent actions
 - Swift and firm action is taken by the Commissioner and Chief Constable against those who defraud or act corruptly
 - Where appropriate the Professional Standards Department and/or independent bodies are used to investigate such activity

2.7 Risk Management and Insurance

- 2.7.1 All organisations whether private or public sector face risks to people, property and continuity of operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve the objectives caused by an unwanted or uncertain action or event.
- 2.7.2 Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being of the organisation. In essence it is therefore, an integral part of good business practice. Risk management is concerned with evaluating the measures an organisation already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.

2.7.3 The key controls are:

- Procedures are in place to identify, assess, prevent or contain material known risks and these procedures are operating effectively throughout both organisations
- A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. This risk management process should be conducted on a continual basis
- Managers know that they are responsible for managing risk and are provided with the relevant information on risk management initiatives
- Provision is made for losses that might result from the risks that remain
- Procedures are in place to investigate claims within required timescales
- Acceptable levels of risk are determined and insured against where appropriate
- Both the Office of the Commissioner and the Constabulary have identified business continuity plans for implementation in the event of a disaster that results in significant loss or damage to its resources.

2.8 Roles and Responsibilities

2.8.1 **The Police & Crime Commissioner (the Commissioner)**

2.8.1.1 The Commissioner has a statutory duty to ensure an efficient and effective police service and to hold the Chief Constable to account on behalf of the public of Cheshire. The Commissioner is the recipient of funding relating to policing and crime reduction including government grants and precept together with other sources of income. Details of the arrangement for income collected under Section 25 of the Police Act 1996, for special police services, are set out in the Constabulary's Scheme of Financial Delegation.

2.8.1.2 Under paragraph 6, Schedule 1 of the Police Reform and Social Responsibility Act 2011, the Commissioner is required to appoint a person to be responsible for the proper administration of the Commissioner's financial affairs, referred to as the Chief Finance Officer (Section 151 Officer). It also requires the Commissioner to appoint a Chief Executive who will also act as the Commissioner's Monitoring Officer (with the functions set out in Section 5 of the Local Government and Housing Act 1989).

2.8.1.3 It is the responsibility of the Commissioner to issue a Police and Crime Plan within the financial year in which each ordinary election is held. This plan may, at any time, be varied and re-issued. This plan must have regard to the Strategic Policing Requirement issued by the Secretary of State.

2.8.1.4 A key responsibility of the Commissioner is to set a precept (funded through council tax) within the statutory deadlines as set out in The Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012. The proposed precept must be submitted to the Police & Crime Panel for scrutiny and the Commissioner must have regard to the Police & Crime Panel's views.

2.8.1.5 At the end of each financial year, the Commissioner must produce an Annual Report on the progress against the Police and Crime Plan.

2.8.2 The Chief Constable

- 2.8.2.1 The Chief Constable is responsible for maintaining the King's Peace and has direction and control over the Constabulary's officers and staff. The Chief Constable holds office under the Crown but is appointed and can be dismissed by the Commissioner.
- 2.8.2.2 The Chief Constable is accountable to the law for the exercise of police powers and to the Commissioner for the delivery of efficient and effective policing and management of resources and expenditure by the Constabulary. At all times the Chief Constable, their officers and staff remain operationally independent in the service of the public.
- 2.8.2.3 Under paragraph 4, Schedule 2 of the Police Reform and Social Responsibility Act 2011, the Chief Constable is required to appoint a person to be responsible for the proper administration of the Chief Constable's financial affairs, designated as the Constabulary's Chief Finance Officer (Section 151 Officer). The Chief Constable also appoints a person to act as the Constabulary's Monitoring Officer (with the functions set out in Section 5 of the Local Government and Housing Act 1989 as appropriate) and referred to in these Regulations as the Chief Legal Officer.

2.8.3 The Deputy Chief Constable (responsible authority for Professional Standards)

- 2.8.3.1 The Deputy Chief Constable ensures that all suspected financial irregularities are reported to the Chief Finance Officer (OPCC) and Chief Finance Officer (Constabulary); that the method of investigation is agreed with such officers and that they are advised of progress and outcomes including any corrections to systems and controls.
- 2.8.3.2 In liaison with the Chief Constable and/or the Chief Executive, the Deputy Chief Constable instigates the appropriate disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.

2.8.4 The Police & Crime Panel

- 2.8.4.1 The main financial responsibilities for the Police & Crime Panel are:
- To review/scrutinise decisions made by the Commissioner and make relevant reports back to the Commissioner
 - To scrutinise the draft Police and Crime Plan, or draft variation provided by the Commissioner
 - To receive, review and report on the proposed precept as notified by the Commissioner
 - To issue a statement that the Panel has vetoed the precept, if appropriate
 - To receive the Commissioner's response to any veto and publish the response
 - To review the Commissioner's Annual Report in public and make a report on any recommendation to the Commissioner and local authorities in the policing area
 - To scrutinise the appointment of the Chief Constable or any proposed

changes

- To hold confirmation hearings for the Chief Constable, Deputy Police and Crime Commissioner (if applicable), Chief Executive and Chief Finance Officer (OPCC).

2.8.5 The Joint Audit Advisory Committee (JAAC)

2.8.5.1 The Joint Audit Advisory Committee is appointed by the Commissioner and the Chief Constable and is the combined body that provides comments, advice and assurance to those charged with governance. The main financial responsibilities for the Committee are set out in the JAAC Terms of Reference.

2.9 The Chief Executive

2.9.1 The main financial responsibilities are:

- To fix the fees for copies of documents and extracts of documents requested by the public under the provisions of the Data Protection Act 2018, Freedom of Information Act 2000 and to review this figure on an annual basis in line with inflation.
- To manage the budget of the Commissioner's office, along with the Chief Finance Officer, particularly to:
 - order goods and services and spend on items provided for in the revenue budget including commissioning services
 - ask for and accept quotations and tenders for goods and services provided for in the revenue budget
 - To approve the attendance of Joint Audit Advisory Committee and Ethics Advisory Panel members at conferences and meetings, and the consequent payment of travelling and subsistence expenses.
 - To authorise remuneration and expenses to the Commissioner in accordance with determinations issued by the Home Secretary.
 - To review, when appropriate, the Remuneration and Expenses Scheme for the Joint Audit Advisory Committee.
 - To approve claims for legal costs, damages, civil claims etc., in excess of £150,000.

2.10 The Chief Finance Officer (Office of the Police & Crime Commissioner)

2.10.1 The Chief Finance Officer is the Commissioner's professional adviser on financial matters. The Chief Finance Officer is a key member of the Commissioner's Leadership Team and, working with the Chief Executive help the team to decide and implement strategy and resource and deliver the Commissioner's strategic objectives. The main responsibilities are:

- i. ensuring that the financial affairs of the Commissioner are properly administered and that financial regulations are observed and kept up to date
- ii. to set the financial standards and to monitor their compliance
- iii. to determine the accounting procedures and records for the Office of the Commissioner

- iv. ensuring that the finance function is fit for purpose
- v. ensuring regularity, propriety and value for money in the use of public funds; advising the Commissioner on the application of value for money principles by the Constabulary to support the Commissioner in holding the Chief Constable to account for efficient and effective financial management
- vi. advising, in consultation with the Chief Executive, on the safeguarding of assets, including risk management and insurance
- vii. ensuring that the funding required to finance agreed programmes is available from central government funding, precept, other contributions and recharges
- viii. advising the Commissioner on the robustness of the budget and adequacy of financial reserves
- ix. reporting to the Commissioner, the Police & Crime Panel and to the external auditor any unlawful, or potentially unlawful, expenditure by the Commissioner or officers of the Commissioner
- x. reporting to the Commissioner, the Police & Crime Panel and to the external auditor when it appears that expenditure is likely to exceed the resources available to meet that expenditure
- xi. securing an efficient and effective internal audit of the Commissioner's financial affairs
- xii. to ensure Annual Internal and External Audit Plans take account of the characteristics and relative risks of the activities involved. The Chief Finance Officer (OPCC) must liaise with the Chief Finance Officer (Constabulary) on the audit strategy and cover required
- xiii. to ensure that audit have the ability to:
 - access the Commissioner's premises at reasonable times
 - access all assets, records, documents, correspondence and control systems relevant to audit
 - require and receive any information and explanation considered necessary concerning any matter under consideration
 - require all staff to account for cash, stores or any other property under their control
 - access records belonging to third parties, such as contractors when required
- xiv. to ensure that auditors are provided with any information and explanations which they seek in the course of their work
- xv. to ensure that any agreed actions arising from audit recommendations are implemented in a timely and efficient fashion and that the Joint Audit Advisory Committee receives a regular report on the implementation of audit recommendations. Where an appropriate response to audit recommendations has not been made within a reasonable period, the Chief Finance Officer (OPCC) will, after consultation with the Chief Finance Officer (Constabulary), refer the matter to the Commissioner, Chief Constable and Joint Audit Advisory Committee
- xvi. to liaise with both internal & external auditors and report to the Joint Audit Advisory Committee
- xvii. to ensure new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by Internal Audit, prior to implementation

- xviii. to investigate promptly any reported suspected fraud or irregularity and to report to the Chief Executive and the Chief Constable who will consider any legal proceedings and disciplinary action. Pending investigation and reporting, the Chief Finance Officer must take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration
- xix. to compile suitable accounting policies and to ensure that they are applied consistently. The accounting policies will be set out in the Statement of Accounts which is prepared as at 31 March each year in line with current regulations
- xx. to draw up the timetable for final accounts purposes in consultation with the Chief Finance Officer (Constabulary) and to advise staff and external auditors accordingly
- xxi. to ensure the production of the Commissioner's Statement of Accounts, receipt and scrutiny of the Chief Constable's Statement of Accounts together with the production of the Group Accounts and publish the audited Statement of Accounts for each financial year in line with the statutory deadlines
- xxii. to ensure receipt and scrutiny of the Statement of Accounts of the Chief Constable and ensuring production of the Group Accounts
- xxiii. to make proper arrangements for the external audit of the Statement of Accounts in accordance with the Accounts and Audit Regulations
- xxiv. to ensure that External Audit has access to all necessary property, processes and records to support their statutory role in auditing the Statement of Accounts
- xxv. to present to the Joint Audit Advisory Committee the Audited Statements of Accounts and to prepare the Letters of Representation for signature by the Commissioner, the Chief Finance Officer (OPCC), Chief Constable and Chief Finance Officer (Constabulary) and obtain approval to the Accounts from the Commissioner and Chief Constable
- xxvi. to provide assurance and documentary evidence of effective financial management and control in support of the Annual Governance Statement
- xxvii. to advise the Commissioner on appropriate arrangements for insurance which are enacted and managed by the Constabulary
- xxviii. with the Chief Finance Officer (Constabulary), prepare regular updates on the Commissioner's and Constabulary's joint risk register for consideration in Scrutiny Meetings and Joint Audit Advisory Committee and to ensure remedial action to address the highest risks is adequate
- xxix. with the Commissioning Officer, identify and develop risk management controls for risks associated with the commissioning of services.

2.10.2 The Chief Finance Officer (OPCC) has certain statutory duties that cannot be delegated, namely the reporting of any potentially unlawful decisions by the Commissioner on expenditure, if expenditure is likely to exceed available resources and the preparation, in accordance with proper accounting practices, of the Statement of Accounts including as appropriate Group Accounts.

2.11 The Chief Finance Officer (Cheshire Constabulary)

2.11.1 The Chief Finance Officer is the Chief Constable's professional adviser on

financial matters and is part of the Chief Constable's Senior Command Team helping to develop and implement strategy and to resource and deliver the Commissioner's strategic objectives. The main responsibilities are:

- i. ensuring that the financial affairs of the Constabulary are properly administered and that financial regulations drawn up by the Commissioner (in close consultation with the Chief Constable, the two Chief Finance Officers and the Chief Executive), are observed and kept up to date
- ii. to comply, where practicable, with the following principles when allocating accounting duties:
 - Separating the duties of providing information about sums due to, or from, the Commissioner and Chief Constable and calculating, checking and recording these sums from the duty of collecting or disbursing them.
 - Staff with the duty of examining or checking the accounts of cash transactions shall not themselves be engaged in these transactions.
 - Administering the Commissioner's arrangements, regarding year-end under and overspends.
 - Ensuring the proper retention of financial documents. The periods for which documents are to be retained will be specified in the Constabulary's or Commissioner's 'Retention of Documents Policy'
- iii. to manage the Gifts, Loans and Sponsorship Policy approved by the Commissioner
- iv. to manage the Charging Policy approved by the Commissioner in accordance with Section 25 of the Police Act 1996
- v. advising the Chief Constable on value for money in relation to all aspects of the Constabulary's expenditure
- vi. advising the Chief Constable and the Commissioner on the soundness of the budget in relation to the Constabulary
- vii. reporting to the Commissioner, the Chief Constable (if applicable) and the external auditor any unlawful, or potentially unlawful, expenditure by the Chief Constable, officers or staff of the Chief Constable
- viii. reporting to the Commissioner, the Chief Constable and the external auditor when it appears that expenditure of the Chief Constable is likely to exceed the resources available to meet that expenditure
- ix. to ensure Annual Internal and External Audit Plans take account of the characteristics and relative risks of the activities involved. The Chief Finance Officer (Constabulary) must liaise with the Chief Finance Officer (OPCC) on the audit strategy and cover required
- x. To ensure that audit have the ability to:
 - Access the Constabulary's premises at reasonable times
 - Access all assets, records, documents, correspondence and control systems relevant to audit
 - Require and receive any information and explanation considered necessary concerning any matter under consideration
 - Require all staff to account for cash, stores or any other property under their control
 - Access records belonging to third parties, such as contractors when required

- xi. To ensure that auditors are provided with any information and explanations which they seek in the course of their work.
- xii. To consider and respond promptly to recommendations in audit reports (on behalf of the Chief Constable); report management responses and any associated action plans to audit recommendations to the Joint Audit Advisory Committee – such responses must be recorded and progress also reported
- xiii. To ensure that any agreed actions arising from audit recommendations are implemented in a timely and efficient fashion.
- xiv. To liaise with both internal and external auditors and report to the Joint Audit Advisory Committee
- xv. To ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by Internal Audit, prior to implementation
- xvi. To investigate promptly any reported suspected fraud or irregularity and to report immediately to the Chief Executive, the Chief Finance Officer (OPCC) and the Chief Constable who will consider any legal proceedings and disciplinary action. Pending investigation and reporting, the Chief Finance Officer (Constabulary) must take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration
- xvii. To audit independently any covert accounts and to certify to the Chief Finance Officer it has been carried out on an annual basis.
- xviii. To compile suitable accounting policies in conjunction with the Chief Finance Officer and to ensure that they are applied consistently. The accounting policies will be set out in the Statement of Accounts which is prepared as at 31 March each year in line with current regulations.
- xix. To draw up the timetable for final accounts purposes in consultation with the Chief Finance Officer (OPCC), to advise staff and external auditors accordingly.
- xx. To prepare the Constabulary's Statement of Accounts and provide information to the Chief Finance Officer (OPCC) as required to enable the production of group accounts (if appropriate)
- xxi. To make proper arrangements for the external audit of the Constabulary's Statement of Accounts in accordance with the Accounts and Audit Regulations.
- xxii. To liaise with and provide all records requested by External Audit as part of their statutory role in auditing the Statement of Accounts.
- xxiii. To provide assurance and documentary evidence of effective financial management and control in support of the Annual Governance Statement
- xxiv. To develop risk management controls in conjunction with other Chief Officers
- xxv. To include all appropriate staff in a suitable fidelity guarantee insurance policy and to effect insurance cover, through both external insurance and internal provision
- xxvi. To negotiate terms and recommend for approval by the Commissioner, all claims in consultation with other officers where appropriate.

2.12 Both Chief Finance Officers have a fiduciary duty to the local taxpayer as both have a responsibility for securing the efficient use of public funds (which will in both cases include revenue derived from the police precept). This

implies public reporting responsibilities in certain circumstances for both Chief Finance Officers. However, given that the Commissioner has a statutory responsibility for the Police Fund (as set out in section 21 of the Police Reform and Social Responsibility Act 2011) the Chief Finance Officer of the Commissioner will have responsibility for all statutory reports relating to the adequacy of the overall resource envelope available to meet police force expenditure. Both the Chief Finance Officers have a reciprocal fiduciary duty to support each other in the execution of their duties.

2.13 Chief Legal Officer

2.13.1 The Chief Legal Officer will act as the Chief Constable's Monitoring Officer with the functions set out in Section 5 of the Local Government and Housing Act 1989. The main responsibilities are:

- i. to report to the Chief Constable any case where s/he is of the opinion that any proposal or decision of the Council has given rise to or is likely to or would give rise to any illegality, maladministration or breach of statutory code under Sections 5 and 5A of the Local Government and Housing Act 1989
- ii. to investigate any matter which s/he has reason to believe may constitute, or where s/he has received an allegation that a matter may constitute, a reportable incident under Sections 5 and 5A of the LGHA 89.

2.14 Budget Managers

2.14.1 The main financial responsibilities are:

- i. To adhere to the accounting policies approved by the Chief Finance Officer (OPCC) and Chief Finance Officer (Constabulary)
- ii. To consult and obtain approval from the Chief Finance Officer (OPCC) and Chief Finance Officer (Constabulary) before making any changes to accounting procedures
- iii. To comply with the principles of 'segregation of duties' when allocating accounting and financial tasks
- iv. To maintain adequate records to provide an audit trail leading from the course of income / expenditure through to the accounting statements
- v. To supply information required to enable the Constabulary's Statement of Accounts to be completed in accordance with the guidelines issued by the Chief Finance Officer (Constabulary)
- vi. To ensure that all suspected financial irregularities are reported to either the Chief Finance Officer (OPCC) and Chief Finance Officer (Constabulary) immediately
- vii. To notify the Chief Finance Officer (Constabulary) and Chief Legal Officer immediately of any loss, liability or damage that may lead to a claim against the Constabulary or Office of the Commissioner, together with any information or explanation required by the Chief Finance Officer (Constabulary) or Chief Legal Officer or the Insurers
- viii. To take responsibility for risk management, having regard to advice from the Head of Planning & Performance other specialist officers (e.g. crime/fire prevention, health & safety, legal)

- ix. To keep risk registers and mitigate risks by taking appropriate action
- x. To ensure that there are regular reviews of risk within their budget heads
- xi. To notify the Head of Planning & Performance and the Risk Manager promptly of all new risks; escalate current risks if the level of risk changes; and advise on all properties or vehicles that require insurance and of any alterations affecting existing insurances
- xii. To consult the Chief Finance Officer (Constabulary), Chief Legal Officer and/or the Chief Constable on the terms of any indemnity that the Office of the Police & Crime Commissioner and/or Constabulary is requested to give
- xiii. To ensure that staff or anyone covered by the organisation's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim

3. STRATEGIC AND FINANCIAL PLANNING

Why is this important?

- 3.1 The Commissioner is responsible for approving the following documents which will be produced with support from the Chief Constable, Chief Executive, Chief Finance Officer (OPCC) and Chief Finance Officer (Constabulary).
- The Police and Crime Plan
 - The Medium Term Financial Strategy
 - The annual budget, council tax and precept including the Reserves Strategy
 - The Capital Strategy and associated financing
 - The Annual Report
- 3.2 Medium term planning (minimum of 4 year planning system) involves a planning cycle in which the Commissioner develops the annual budget and draft budgets for the following years. As each year passes another future year will be added to the plan. Medium term planning ensures that the Commissioner is always prepared for events in advance.
- 3.3 The Commissioner needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The Medium Term Financial Strategy (MTFS) and annual budget encapsulates the Commissioner's plans and policies.
- 3.4 The MTFS and revenue budget must be constructed so as to ensure resource allocation properly reflects the spending plans and priorities of the Commissioner, in line with Government requirements. Budgets (spending plans) are needed so that the Commissioner can plan, authorise, monitor and control the way money is allocated and spent.
- 3.5 This is a key role for the Commissioner in setting out their plans and funding strategies over the period of their office. It is a statutory duty backed by the electoral mandate given to the Commissioner, within the context of the Strategic Policing Requirement as set out by the Secretary of State.
- 3.6 The key controls are:
- Specific budget approval for all expenditure including new policy options and savings
 - Budget Managers accept accountability within the agreed delegations for their budgets and the level of service to be delivered
 - A monitoring process is in place to review regularly the effectiveness of budget preparation and that any corrective action is taken
- 3.7 Medium Term Financial Strategy
- 3.7.1 The Commissioner together with the Chief Constable, share a responsibility

to provide effective financial and budget planning for the immediate, medium and longer term.

- 3.7.2 The Chief Finance Officer, OPCC is responsible for ensuring that a full MTFs is prepared and updated regularly and a revenue budget and capital programme are prepared on an annual basis for consideration and approval by the Commissioner. The Strategy must be closely linked to the development of the Police and Crime Plan and be informed by the Strategic Threat and Risk Assessment. It should include provisional budgets and capital programmes for at least the following two years. The Strategy should have regard to affordability, inter-dependencies between revenue and capital expenditure, the Reserves Strategy, the robustness of estimates and the consideration of any risks.

3.8 Budget Preparation & Precept

- 3.8.1 The Commissioner will work together with the Chief Constable in developing the overall annual police budget including revenue and capital expenditure. This will take into consideration funding from Government and other sources, balancing the needs of the policing service against the level of local council tax. This must meet the statutory requirements to achieve a balanced budget (Local Government Act 2003) and be completed within the statutory timetable (see Appendix 1 at the end of these regulations).

- 3.8.2 As set out in section 96 of the Police Act 1996, as amended by section 14 of the Police Reform and Social Responsibility Act 2011, the Commissioner must obtain the views of the local community on the proposed expenditure (including capital expenditure) ahead of the financial year to which the proposed expenditure relates and before any final decisions are made.

- 3.8.3 Part 1 of the Local Government Finance Act 1992 continues to set out the process for issuing precepts. Section 26 of the Police Reform and Social Responsibility Act 2011 established the Commissioner as a precepting authority for the purposes of this Act and Schedule 5 sets out the role of the Police & Crime Panel.

- 3.8.4 Following consultation with the Chief Finance Officer (OPCC), the Chief Finance Officer (Constabulary) will issue guidelines on budget preparation to Budget Managers. The guidelines will take account of:

- Legal requirements
- Medium term planning guidelines
- Available resources
- Spending pressures
- Value for money and other relevant Government guidelines
- Savings requirements

- 3.8.5 The Chief Finance Officer (OPCC), in consultation with the Chief Finance Officer (Constabulary), is responsible for ensuring that an affordable capital programme and the financing plan are prepared on an annual basis for consideration by the Commissioner. The programme must contribute to the development of the Police & Crime Plan's aims and objectives, and should be

aimed at delivering efficiency and cash savings.

- 3.8.6 Any budget item, capital or revenue can be 'starred' to reflect the Commissioner's agreement in principle, but no further action can be taken without further approval being obtained when more detailed plans are available.
- 3.8.7 The format of the budget will be determined by the Commissioner on the advice of their Chief Finance Officer including the budget proposals, funding levels, use of reserves and proposed precept.
- 3.8.8 In developing the annual budget, the Commissioner will need to determine the budget available for commissioning services. The Chief Constable will not be involved in developing this element of the budget as a conflict of interest may arise if the Chief Constable also wishes to bid to be a provider of commissioned services.
- 3.9 Use Of Reserves (General & Earmarked) & Provisions
- 3.9.1 The Commissioner will establish a Reserves Strategy and a policy on the use of provisions with the advice of their Chief Finance Officer and in consultation with the Chief Constable. The strategy and policy must have due regard to the need to fund on-going policing activities and the requirement to meet exceptional or extraordinary policing operations.
- 3.9.2 General reserves are held by the Commissioner and managed to balance funding, spending priorities and risk linked to the medium term financial strategy.
- 3.9.3 Reserves are maintained as a matter of prudence and the provision of advice on adequacy is the statutory responsibility of the Chief Finance Officer (OPCC).
- 3.9.4 Section 19 of Police and Criminal Evidence Act (PACE) 1984 provides general and wide powers of seizure. Section 22 of PACE provides that anything seized or taken away under section 19 may be retained so long as is necessary in all the circumstances. Anything seized for the purposes of a criminal investigation may be retained for use as evidence at a trial for an offence. In addition, anything may be retained to establish its owner. Where property seized in this manner is not returned to its rightful owner then the item can be sold. Revenue generated from the sale of such property is paid into the Police Property fund also referred to as the Chief Constable's Fund and used for charitable purposes.
- 3.9.5 The key controls for reserves are:
- The Annual Reserves Strategy, as agreed by the Commissioner
 - To maintain reserves in accordance with the Code of Practice on Local Authority Accounting and agreed accounting policies
 - For each earmarked reserve established, the purpose, usage and basis of transactions must be clearly identified

3.10 Responsibilities of the Chief Finance Officer (OPCC)

- 3.10.1 To prepare and submit reports on the financial scenario for the Commissioner, including resource constraints set by the Government and the robustness of estimates used, updated on a regular basis. Reports should take account of medium term prospects where appropriate.
- 3.10.2 To prepare and submit reports to the Commissioner on the aggregate spending plans and on resources available to fund them, identifying where appropriate the implications for the level of council tax to be levied.
- 3.10.3 To advise the Commissioner on the Reserves Strategy to be adopted on an annual basis.
- 3.10.4 To advise on prudent levels of reserves to the Commissioner and to report on the opportunity cost of holding such reserves, both general and earmarked.
- 3.10.5 To report to the Commissioner on the adequacy of the level of reserves held and their usage during the year.
- 3.10.6 To ensure that the annual budget includes a realistic amount of operational contingency that is available to the Chief Constable for operational priorities without the need for additional approval.
- 3.10.7 To advise on the creation of any provision.

3.11 Responsibilities of the Chief Finance Officer (Constabulary)

- 3.11.1 To determine the detailed form of revenue estimates, consistent with the general directions of the Commissioner. To ensure estimates prepared are robust and are scrutinised and supported by the Senior Command Team.
- 3.11.2 To advise on the medium term implications of spending decisions.
- 3.11.3 To encourage the best use of resources and value for money by working with Budget Managers to identify opportunities to improve economy, efficiency and effectiveness by encouraging good practice in conducting financial appraisals of growth or saving options and in developing financial aspects of service planning.
- 3.11.4 To advise the Commissioner and Chief Constable of any proposals for the use of reserves or provisions and request approval from the Commissioner for any use of reserves or provisions outside of the approved reserve strategy.
- 3.11.5 To maintain clear and reconciled records of the use of reserves and provisions for reporting to the Commissioner.
- 3.11.6 To facilitate payments approved by the Chief Constable from the Chief Constable's Fund and maintain and reconcile records of the use of the Fund.

3.12 Roles of Budget Managers

- 3.12.1 To prepare estimates of income and expenditure for scrutiny by the Chief Finance Officer (Constabulary), to be submitted to the Commissioner.
- 3.12.2 To prepare budgets which are consistent with any relevant cash limits, the annual budget cycle and with guidelines issued by the Chief Finance Officer (Constabulary).
- 3.12.3 To integrate financial and service plans into the planning cycle so that budget plans can be supported by financial and non-financial performance measures.
- 3.12.4 To consult with other Budget Managers, where it appears that a budget proposal is likely to impact on their level of service activity.
- 3.12.5 In consultation with the Chief Finance Officer (Constabulary) and in accordance with the laid down guidance and timetable, to prepare detailed draft revenue and capital budgets for consideration by the Commissioner.
- 3.12.6 When drawing up draft budget requirements to have regard to:
 - Spending patterns and pressures revealed through the budget monitoring process
 - Legal requirements
 - Policy requirements as defined by the Commissioner
 - Initiatives already underway

4. RESOURCE MANAGEMENT

4.1 Staffing

Why is this important?

4.1.1.1 In order to provide the highest level of service, it is crucial that the Commissioner and Chief Constable recruit and retain high calibre, knowledgeable officers and staff, qualified to an appropriate level. A three year “People Strategy” is prepared for approval by the Commissioner to support budget management and planning, reviewed annually and updated as necessary with appropriate approvals.

4.1.1.2 The key controls are:

- That procedures are in place for forecasting staffing requirements and cost
- That procedures are in place for monitoring staffing expenditure against budget
- Checks are undertaken prior to employing new officers and staff to ensure that they are appropriately qualified, experienced and have the appropriate references and vetting etc.

4.1.2 Responsibilities of the Commissioner

4.1.2.1 To approve the police officer; police staff; PCSOs and special constables overall establishment for the financial year; and during the year any amendments to such which are outside the delegated power of the Chief Constable detailed in paragraph 4.1.3.1.

4.1.3 Responsibilities of the Chief Constable

4.1.3.1 For changes to the approved police officer, police staff, PCSO or Special Constabulary establishment, the Chief Constable with guidance from the SCT (Business Meeting), recommend to the Commissioner for approval. This is with the exception of changes to the approved establishment which:

- are below senior management grade; and
- have no duration beyond the current financial year; and
- are not within the budget or other approval of the Commissioner but where the cost may be met from within existing budgets; and
- which support the Commissioner’s objectives.

Such changes may be approved by the Chief Constable subject to the approval of cost by the Commissioner’s Chief Executive.

4.1.3.2 To approve any amendments within these approved ring-fenced establishments in consultation with the appropriate officers and staff including the Chief Executive, OPCC.

- 4.1.3.3 In consultation with the Chief Executive, or nominated representative to approve the early retirement of police staff and officers and to approve all voluntary severances and redundancies of police staff, the latter in accordance with the approved redundancy procedure, subject to the financial implications being within budget approved by the Commissioner. An annual report on these matters is to be submitted to the Commissioner's Scrutiny Board as part of the outturn reporting process.
- 4.1.3.4 To approve the retirement of police officers and police staff up to and including the rank of Chief Superintendent on the grounds of ill health following advice from the Selected Medical Practitioner or Independent Registered Medical Practitioner; for ranks above Chief Superintendent, this must be in consultation with the Commissioner; and to submit quarterly reports to the Commissioner's Scrutiny Board on such ill health retirements.

4.1.4 Responsibilities of Chief People Officer

- 4.1.4.1 To fully support Managers to manage and make best use of their staffing, by providing professional advice on their areas of specialism to Chief Officers; develop, implement and maintain relevant strategies and policies ensuring the delivery of an efficient and effective support service that meets the requirements of operational policing and value for money.
- 4.1.4.2 To advise budget managers on any payroll related matters for individuals including the potential write off of overpayment of salaries. For any write off of overpayment of salaries above delegated levels as set out in the Constabulary's Scheme of Delegation, such matters must be escalated to the Chief People Officer, the Chief Finance Officer (Constabulary), the Chief Finance Officer (OPCC) and the Chief Executive.
- 4.1.4.3 To approve, on the advice of Chief Finance Officer (Constabulary) and Chief Legal Officer, any settlement agreements in consultation with the Chief Executive as required.
- 4.1.4.4 To manage police officer recruitment to meet the needs of the Chief Constable within the police pay budget and approved establishment.
- 4.1.4.5 To manage staff recruitment (including PCSOs) within the pay budget and approved establishment.
- 4.1.4.6 To manage the recruitment of Special Constables and consult with the Chief Finance Officer (Constabulary) on any budgetary impact.

4.1.5 Roles of Budget Managers

- 4.1.5.1 To supply the People Services Department with any information needed to calculate and pay salaries, including details of appointments, promotions, re-gradings, suspensions, dismissals, resignations, retirements and absences from duty.
- 4.1.5.2 To ensure that the staffing budget is not exceeded without due authority

and that it is managed to enable the agreed level of service to be provided.

- 4.1.5.3 To ensure that the Chief People Officer is immediately informed if the staffing budget is likely to be materially over or under spent.
- 4.1.5.4 To provide the Chief People Officer with a business case for the costs of any proposed early retirement/severance case to be met from the central budget or funded by the relevant department, subject to phasing over an agreed period.

Payments to Officers and Staff

Why is this important?

- 4.1.5.5 Officer and staff costs are the largest item of expenditure. It is, therefore, important that there should be controls in place to ensure that payments are made only where they are due for services to the Commissioner and Chief Constable and that payments accord with individual's conditions of employment.
- 4.1.5.6 The key controls are:
 - Proper authorisation procedures and adherence to corporate timetables for Starters & Leavers
 - Proper authorisation procedures for variations (e.g. re-gradings, movers)
 - Frequent reconciliation of payroll expenditure against approved budget
 - All appropriate payroll documents are retained and stored for the defined period in accordance with the "Retention of Documents Policy"
- 4.1.5.7 To arrange and control a secure and reliable system and procedures for the payment of salaries, wages, pensions, compensation or other emoluments to existing and former staff and ensure there are adequate controls of any contracted-out services or within the Constabulary.
- 4.1.5.8 To record and control tax, pensions and other deductions.
- 4.1.5.9 To make arrangements for payment of all travel and subsistence claims.
- 4.1.5.10 To have oversight of and monitor the overall payments to staff, including overtime and the overpayment of salaries and report significant issues of such occurrence to the Chief People Officer.
- 4.1.5.11 To seek approval from the Commissioner for the write off of pension and salary overpayments where any individual debt is over £10,000. For write off of amounts over £500 but under £10,000, seek approval from the Chief Finance Officer (Constabulary).
- 4.1.5.12 Provide consistent and accurate management information regarding officer and staff numbers, grades and budgets to budget managers.

4.1.5.13 Roles of Budget Managers

- 4.1.5.14 To ensure appointments are made in accordance with the requirements of the Commissioner and Chief Constable and approved establishments, grades, scale of pay and that adequate budget provision is available.
- 4.1.5.15 To notify the Chief People Officer of all appointments, terminations, or variations that may affect the pay or pension of a staff member or former staff member, in the form and to the timescale required by the Chief People Officer.
- 4.1.5.16 To ensure that adequate and effective systems and procedures are operated for human resource and payroll aspects, so that:
- Payments are only authorised to bona fide officers and staff.
 - Payments are only made where there is a valid entitlement.
 - Conditions and contracts of employment are correctly applied.
 - Officer and staff names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
 - There is an effective system of checking and certifying payroll changes.
- 4.1.5.17 To ensure that payroll transactions are processed only through the payroll system. Budget Managers should give careful consideration to the employment status of individuals employed on a “self-employed” or “sub contract” basis. His Majesty’s Revenue and Customs (HMRC) applies a tight definition for employee status and in cases of doubt, advice should be sought from the Chief People Officer.
- 4.1.5.18 Although expenses are self-certified, Budget Managers should ensure that travel and subsistence claims and other allowances are for journeys that were authorised and expenses properly and necessarily incurred and that allowances are properly payable by the Commissioner or Chief Constable, ensuring that cost effective use of travel arrangements is achieved. Due consideration should be given to tax implications and the Chief People Officer is informed where appropriate.
- 4.1.5.19 To ensure that the details of any staff benefits in kind are notified to the Chief People Officer to enable full and complete reporting within the Income Tax Self-Assessment system.
- 4.1.5.20 To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the “Retention of Documents Policy”.

4.1.6 Pensions

- 4.1.6.1 Police officer pensions are governed by the Police Pensions Act 1976 and its related regulations (and any statutory amendment or re-enactment thereof). The Chief Constable is responsible for ensuring the administration of the pension schemes and the appropriate maintenance and provision of the relevant accounts. The Commissioner’s role in the pension schemes will be limited to the specific decisions and discretions concerning the pension and retirement of the Chief Constable and discretion of the application of pension forfeiture for all police officers. The Home Office is responsible for the

maintenance of the regulations.

4.1.6.2 The Chief Constable is responsible for ensuring that accurate and up to date information is provided to the Home Office on the Constabulary's pensions account and future forecasts for police pensions' income and expenditure. This information is sought on a regular basis following an annual cycle. Information should be provided in line with obligations set out in the relevant regulations, in the form and at the time requested by the Home Office.

4.1.6.3 The pensions arrangements for police staff, irrespective of whether their employment is with the Commissioner or Chief Constable, are provided through the Local Government Pension Scheme (LGPS) which is governed by the LGPS (Benefits, Membership and Contributions) Regulations 2007 and the LGPS (Administration) Regulations 2008 under Section 7 of the Superannuation Act 1972. The Department for Levelling Up, Housing and Communities is responsible for the maintenance of these regulations. The relevant LGPS is administered by Cheshire West & Chester Council.

4.1.6.4 The Chief Constable is responsible for ensuring the administration of the LGPS and the appropriate maintenance and provision of the relevant information and accounts. The role of the Commissioner will be limited to the specific decisions and discretions concerning the pension and retirement of their staff and discretion on the application of pension forfeiture.

4.1.7 Gifts, Hospitality and Sponsorship

4.1.7.1 The Commissioner may decide to accept gifts of money, gifts or loans of other assets if they will enable the police to either enhance or extend the service which they would normally be expected to provide. The terms on which such gifts or loans are accepted may allow commercial sponsorship of some police activities. Gifts, loans and sponsorship are particularly suitable for multi-agency work such as crime prevention, community relations work and schemes which support victims.

4.1.7.2 Gifts, hospitality and sponsorship can be accepted from any source which has genuine and well intentioned reasons for wishing to support specific projects. In return, the provider may expect some publicity or other acknowledgement. It is acceptable to allow the provider to display the Commissioner's name or logo on publicity material, provided this does not dominate or detract from the purpose of the supported project. Such permission should be approved by the Commissioner.

4.1.7.3 For staff who are not under the direction and control of the Chief Constable, gifts, gratuities and hospitality must be registered in accordance with the Commissioner's Code of Conduct for staff.

4.1.7.4 Gifts, hospitality and sponsorship offered to individual officers or staff under the direction and control of the Chief Constable are subject to the Constabulary's Gifts, Gratuities and Hospitality Policy and Procedure. Details can be obtained from the Professional Standards Department.

4.1.7.5 Any proposal involving the provision of sponsorship, gifts and hospitality to the Constabulary by a third party which may have reputational implications or involve costs/future years commitments above £10,000 for the Commissioner or Constabulary will require the Commissioner's specific approval.

4.1.8 Bribery Act 2010

4.1.8.1 Under the Act there are a range of issues and offences for organisations to consider including a duty for organisations to put procedures in place to prevent persons associated with them from participating in bribery. The Commissioner and Chief Constable are responsible for ensuring that adequate procedures exist to comply with the requirements of the Act.

4.1.9 Register of Interests

4.1.9.1 The Specified Information Order 2011 requires a register of interests to be maintained setting out every paid employment or other pecuniary interest and a register of gifts and hospitality for the Commissioner and any Deputy Commissioner (where applicable) appointed by the Commissioner. To support best practice, all staff within the Office of the Police and Crime Commissioner will also complete the register of gifts and hospitality.

4.1.9.2 For staff who are not under the direction and control of the Chief Constable, interests must be registered in accordance with the Commissioner's Code of Conduct for staff.

4.1.9.3 For officers and staff within the Constabulary and under the direction and control of the Chief Constable, interests must be registered in accordance with the Constabulary's Business Interests Procedures, details of which can be found via the Professional Standards Department.

4.2 Revenue Expenditure

Why is this Important?

4.2.1 Budget management ensures that resources allocated by the Commissioner are used for their intended purposes, that these resources are properly accounted for and that value for money is achieved. Budgetary control is a continual process enabling the Commissioner to review, take remedial action on expenditure or adjust the budget during the financial year.

4.2.2 By identifying and explaining variances against the budget, the Commissioner can identify changes in trends and resource requirements at the earliest opportunity. The organisation operates within an annual cash limit, approved in setting the overall budget. To ensure that the organisation does not overspend in total, Budget Managers are required to manage their own expenditure within the budget allocated to them.

4.2.3 For the purposes of budgetary control by managers, budgets have been allocated to Budget Managers in line with the Constabulary's Scheme of Financial Delegation. The budget heads for control purposes are set out in

the budget report annually and approved by the Commissioner. These delegated budgets are the responsibility of those managers who will be accountable to the Chief Finance Officer (Constabulary) for their management.

4.2.4 The key controls for are:

- Each “£” of budgeted expenditure and income is allocated to a named manager
- Budget Managers accept accountability for their budgets and the level of service to be delivered and are accountable to the Chief Finance Officer (Constabulary)
- Income and expenditure is properly recorded and accounted for
- To ensure that a monitoring process is in place to review and challenge performance levels / levels of service in conjunction with the budget and necessary action taken to align service outputs and budget
- Appropriate accounting procedures are in place to ensure that carried forward totals are correct and that such carried forward totals are reported to the Commissioner as part of the outturn report

4.2.5 Responsibilities of the Chief Finance Officer (OPCC)

4.2.5.1 To scrutinise and to submit regular reports to the Commissioner on projected expenditure compared with the budget prepared by the Chief Finance Officer (Constabulary), which have also received prior consideration by the Chief Constable and their Command Team.

4.2.5.2 To submit reports to the Commissioner in consultation with the Chief Constable where the Constabulary is unable to balance expenditure and resources within existing approved budgets and to recommend corrective action.

4.2.6 Responsibilities of the Chief Finance Officer (Constabulary)

4.2.6.1 To establish an appropriate framework of budgetary management and control that ensures:

- Budget management is exercised within annual cash limits (including approved use of reserves) unless the Commissioner agrees otherwise
- Each Budget Manager has available timely information on income and expenditure for their area to fulfil budgetary responsibilities
- Expenditure is only committed against an approved budget
- All officers and staff responsible for committing expenditure comply with relevant guidance including these Financial Regulations
- Each Budget Head has a single named manager through the Constabulary’s Scheme of Financial Delegation. As a general principle, the manager responsible for the department or area covered by the budget, should be accountable for that budget
- Significant variances from approved budgets are investigated and reported by Budget Managers regularly

4.2.6.2 To approve:

(a) any slippage on approved budgets that are purely due to timing issues, such as delays in procurement, which require funding to be carried over into the following financial year to complete the programme/activity. These will be reported as part of the quarterly monitoring reports to the Joint Management Board.

(b) carry forward on departmental underspends (excluding police pay) up to 1% of their budget or £50,000 maximum whichever is the higher, based on a robust business case.

4.2.6.3 All other carry forward requests require the approval of the Commissioner. Any overspending will be carried forward as a first call on the following year's budget unless there are exceptional, mitigating circumstances.

4.2.7 Roles of Budget Managers

4.2.7.1 To maintain full and effective budgetary control, in adherence to the principles set out above and to ensure that all income and expenditure is properly recorded and accounted for.

4.2.7.2 To ensure that spending remains within the overall cash limit and individual Budget Heads are not overspent, by monitoring the budget and where it appears that areas of budget are likely to be over or under spent, taking appropriate corrective action.

4.2.7.3 To ensure that the Police and Crime Plan objectives and targets are delivered within budget.

4.2.7.4 To ensure that a monitoring process is in place to review performance levels / levels of service in conjunction with the budget and that any necessary action is taken.

4.2.7.5 In consultation with the Chief Finance Officer (Constabulary), prepare regular reports on the projected expenditure compared with the budget.

4.2.7.6 To ensure prior approval by the Commissioner for new revenue and capital proposals which:

- Have not been agreed as part of the annual budget setting process
- Create financial commitments for the current or future years above identified funding
- Initiate a new policy or cease an existing policy
- Materially extend or reduce the Constabulary's services

4.2.7.7 A report on any new proposal must explain the full financial implications and be agreed by the Chief Finance Officer (Constabulary) before submission to the Commissioner. Unless the Commissioner agrees, Budget Managers must plan to contain the financial implications of such proposals within their approved budget.

4.2.7.8 The Chief Finance Officer (OPCC) must be notified of any proposed additional expenditure of £150,000 or more within one budget head to be

funded by virement from another. The Chief Finance Officer (OPCC) has the power to approve proposals or refer the matter to the Commissioner for a decision.

- 4.2.7.9 Any overspending in total on budgets under the control of the Budget Manager may be carried forward to the following year and constitute the first call on the following year's funding as directed by the Commissioner.
- 4.2.7.10 If approved by the Commissioner, net underspends (above the limits permitted under 4.2.6.2) or overspends may be carried forward.
- 4.2.7.11 Where an unplanned deficit occurs the Budget Manager shall prepare a detailed financial recovery plan for consideration and approval by the Commissioner.
- 4.2.7.12 The use of additional revenue and/or capital savings, underspends or income against the budget, above the limits permitted under 4.2.6.2, requires approval from the Commissioner.

4.3 Capital Programme

Why is this important?

- 4.3.1 Capital expenditure involves the acquisition or enhancement of property, plant and equipment or intangible asset with a long term value to the Commissioner. Capital assets shape the way services are delivered for the long term and create financial commitments for the future in the form of financing costs and revenue running costs.
- 4.3.2 The key controls are:
 - Specific approval by the Commissioner for at least three year capital programme which is the key document for planning and controlling of capital expenditure
 - Starred items require further approval before expenditure can be incurred
 - Expenditure on capital schemes not included in the programme and/or which would involve future years' commitments is subject to the approval of the Commissioner
 - Steps are taken to enable land required for the purposes of the programme to be acquired in due time
 - A scheme and estimate, including the associated revenue expenditure, is prepared for each capital project for approval by the Commissioner
 - Any scheme not commenced within two years of approval will be deemed null and void and removed from the capital programme.
 - Prudential Indicators covering affordability, capital expenditure, external debt and treasury management

4.3.3 Responsibilities of the Chief Finance Officer (OPCC) and Chief Finance Officer (Constabulary)

- 4.3.3.1 To prepare the annual Capital Strategy and draft capital programmes and estimates for consideration by the Chief Constable who will then report them

to the Commissioner for approval.

- 4.3.3.2 To produce the prudential indicators and report them to the Commissioner as part of the annual budget. At outturn, update these indicators and report them to the Commissioner.
- 4.3.3.3 To seek approval from the Commissioner should circumstances require a change to the approved prudential indicators.
- 4.3.3.4 To scrutinise and submit regular reports from the Chief Finance Officer (Constabulary), to the Commissioner on the projected capital expenditure and resources compared with the approved estimates, following consideration by the Chief Constable.
- 4.3.3.5 To issue guidance concerning capital schemes and controls, for example on project appraisal techniques.
- 4.3.3.6 Determine the definition of “capital” having regard to regulations and accounting requirements.
- 4.3.3.7 On an exception basis to obtain authorisation from the Commissioner for all capital schemes where the estimated expenditure exceeds the capital programme provision unless it is under £150,000 (annual spend), can be funded by virement and does not constitute a change in policy.
- 4.3.3.8 Obtain Commissioner approval for the acquisition or disposal of land or property or acquisition or grant of any interest or right in, of property owned by the Commissioner including the lease or rental of such land or property (except for covert operational reasons or short term rentals below twelve months e.g. room hire for training purposes).
- 4.3.4 **Roles of Capital Scheme Managers** (identified as part of approval process)
- 4.3.4.1 To comply with the guidance concerning capital schemes and controls issued by the Chief Finance Officer (Constabulary).
- 4.3.4.2 To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Chief Finance Officer (Constabulary).
- 4.3.4.3 To prepare a quarterly return on estimated final cost of schemes in the approved capital programme for scrutiny by the Chief Constable and Chief Finance Officer (Constabulary) prior to consideration by the Commissioner.
- 4.3.4.4 To ensure that adequate records are maintained in respect of all capital contracts.
- 4.3.4.5 To ensure that they do not enter into any capital scheme without the prior approval of the Commissioner.
- 4.3.4.6 In consultation with Finance, submit to the SCT (Business) meeting for initial agreement prior to the approval by the Chief Financial Officer

(OPCC), any virement between capital schemes or transfer of revenue funding to capital, up to £150,000 and fully funded. If the virement is over £150,000 or unfunded, submit to the SCT (Business) meeting for initial agreement prior to approval by the Commissioner.

- 4.3.4.7 Any efficiency savings resulting from the capital investment must be properly recorded and reported as part of the regular reports.

4.4 Budget Virement

Why is this Important?

- 4.4.1 A virement is a planned reallocation of resources between Budget Heads or individual heads of expenditure. The process of virement is intended to enable the Chief Constable and Chief Executive to manage their budgets robustly but with a degree of flexibility within the overall budget approved by the Commissioner and therefore, to provide the opportunity to optimise the use of resources to meet emerging needs.
- 4.4.2 Budget Managers are responsible for the activities of their Budget Head in line with agreed policies and objectives as set out in the Police and Crime Plan. The Commissioner's approval is required for any virement that requires a change to those policies and objectives.
- 4.4.3 A supplementary revenue estimate is a release of additional budget funded from reserves and can only be approved by the Commissioner. The Commissioner's general policy is that these will only be granted in exceptional circumstances. Should it be granted, this budget will be ring-fenced only for the specific purpose for which it was approved. All supplementary revenue estimates will be reviewed as part of quarterly reporting when the scope for absorbing the additional expenditure will be explored.
- 4.4.4 The Chief Finance Officer (OPCC) must be notified of any proposed additional expenditure of £150,000 or more within one budget head to be funded by virement from another. The Chief Finance Officer (OPCC) has the power to approve such proposals or refer the matter to the Commissioner for a decision.
- 4.4.5 The use of additional revenue and/or capital savings, underspends/income against the budget requires approval from the Commissioner. This represents a change from previous regulations and Budget Managers must have particular regard to this new requirement.
- 4.4.6 The key controls are:
- The transfer of a budget does not involve a change of policy or commit extra spending in future years
 - The Budget Head from which the budget is being transferred will still have sufficient resources after the transfer, for the remainder of the year taking into account all known commitments
 - The virement does not involve the creation of new posts unless offsetting

permanent resources have been identified and released from elsewhere in the budget

- The virement does not involve any ring-fenced budgets (e.g. pay budgets)
- If any of the above key controls are not met then the virement cannot proceed without the approval of the Commissioner

4.4.7 One of the aims of the use of virement is to allow Budget Managers greater freedom to manage their service where necessary and to provide flexibility providing it is in pursuit of the achievement of the Commissioner's objectives. If however, the use of virement results in difficulty for the Commissioner, the Chief Finance Officers have the right to withdraw or suspend virements.

NOTE: All budget virements must be processed by the Finance Department

4.4.8 Responsibilities of the Chief Finance Officer (OPCC)

4.4.8.1 To approve supplementary revenue estimates which are requested in respect of initiatives fully funded from external sources, unless they represent a change in policy or priority, in which case the Commissioner approval is required.

4.4.8.2 To be notified of any proposed additional expenditure of £150,000 or more within one budget head to be funded by virement from another and to approve such proposals or refer the matter to the Commissioner for a decision.

4.4.9 Responsibilities of the Chief Finance Officer (Constabulary)

4.4.9.1 To approve, transfer or vire budgets between budget headings, on a permanent or temporary basis for all individual amounts below £150,000, providing there are no future year commitments and the Commissioner is notified through the budget monitoring process. To request any supplementary revenue estimate required from the Commissioner in consultation with the Chief Finance Officer (OPCC).

4.4.9.2 To monitor compliance with the Constabulary's Internal Scheme of Financial Delegation and the key controls above.

4.4.10 Roles of Budget Managers

4.4.10.1 To transfer amounts up to £50,000 within the same department between subjective headings within their department, subject to the general rules set out in the key controls above. For example, budget can be transferred from supplies and services to transport provided that the overall total net budget is unchanged and performance is not disadvantaged. Pay budgets however, are ring-fenced.

5. ASSET MANAGEMENT

Why is this important?

- 5.1 The Commissioner and Chief Constable hold/manage assets in the form of property, vehicles, IT, equipment, furniture and other items. The delivery of core services would not be possible without a range of assets being available when required. It is important that assets should be safeguarded, used efficiently in the delivery of services and that there are timely arrangements to replace end of life assets.
- 5.2 Greater detail of how the Commissioner and Constabulary manage physical assets is contained in the Asset Management Strategy which has been agreed by the Commissioner. For the purposes of asset management, an asset is defined as 'any item of economic value owned by the Commissioner and used, but not consumed, in the delivery of its services'.
- 5.3 The management of assets within the organisation is based around three core objectives: asset security; asset life and asset maximisation. The Commissioner's approach to asset management is proportionality; when considering if an asset should be subjected to asset management arrangements, consideration should be given to the overall costs of the asset, the risk in relation to asset security, does it provide protection (e.g. Health and Safety) and have a recommended life span. Equally, the financing of the asset must be considered as part of asset management.
- 5.4 Intellectual property is a generic term that includes inventions and writings. If these are created by the employee during the course of employment, then as a general rule they belong to the employer, not the employee.
- 5.5 Certain activities undertaken within the organisation may give rise to items that may be patentable. These come within the scope of intellectual property.
- 5.6 The key controls are:
- Assets are used only for the purposes of the Commissioner and Chief Constable and are properly accounted for and assets are available for use when required
 - Assets no longer required are disposed of in accordance with the law and the regulations of the Commissioner so as to maximise benefits
 - An asset register is maintained for the Commissioner, assets are recorded when they are acquired and this record is updated as changes occur with respect to the location and condition of the asset
 - All staff are aware of their responsibilities with regard to safeguarding the assets and information, including the requirements of the Data Protection Act and software copyright legislation
 - All staff are aware of their responsibilities with regard to safeguarding the security of the computer systems, including maintaining restricted access to the information held on them and compliance with the computer and internet security policies for example, the Constabulary's Information Security Policy

- In the event that the Commissioner and/or Chief Constable decide to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with the intellectual property procedures
- All applications for the registration or safeguarding of any intellectual property rights (including patents) must be made in the name of the Commissioner

5.7 Responsibilities of the Chief Finance Officer (Constabulary)

- 5.7.1 To maintain the Asset Management Strategy approved by the Commissioner and ensure that asset management plans are maintained in accordance with good practice.
- 5.7.2 To agree inventory procedures and make arrangements for the care and custody of stocks and stores.
- 5.7.3 To ensure stocks are subject to a regular independent physical check where appropriate. All discrepancies should be investigated and pursued to a satisfactory conclusion.
- 5.7.4 To write-off discrepancies in accordance with predetermined limits and authorise write-off or disposal of redundant stocks and equipment as stated in the Constabulary's Scheme of Financial Delegation.
- 5.7.5 To develop and disseminate good practice through the intellectual property procedures.

5.8 Roles of Budget Managers

- 5.8.1 To maintain an asset register in a format approved by the Chief Finance Officer (Constabulary) and comply with the Asset Management Strategy.
- 5.8.2 To ensure that lessees and other prospective occupiers of land and buildings are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the Chief Executive and in consultation with the Chief Finance Officer (OPCC), has been established as appropriate.
- 5.8.3 To ensure the proper security of all assets under their control.
- 5.8.4 To ensure assets are identified, their location recorded and that they are appropriately marked and insured.
- 5.8.5 To consult the Chief Finance Officer (OPCC) in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 5.8.6 To ensure cash holdings on premises are kept within prescribed limits covered by the organisations' insurance policies.
- 5.8.7 To ensure that all staff are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records, in accordance with the Constabulary's Information Security Policy.

- 5.8.8 To make sure that assets are only used in the course of carrying out the Commissioner's and Chief Constable's functions.
- 5.8.9 To record all disposals of assets that shall be disposed of in accordance with the provisions of the Commercial Unit.
- 5.8.10 Where land or buildings are surplus to requirements, a recommendation for their disposal must be agreed by the Chief Finance Officer (Constabulary) before submission to the Commissioner for approval.

6. CASH MANAGEMENT

Why is this important?

6.1 Millions of pounds pass through the Commissioner's accounts each year. A few local authorities have suffered high profile losses through inappropriate treasury management procedures and this has led to the establishment of Codes of Practice. These aim to provide assurances that the Commissioner's money is properly managed in a way which balances risk with return, but with the overriding consideration being given to the security of the Commissioner's capital. The Commissioner adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 4 of that Code.

6.2 The key controls are:

- A Treasury Management Strategy is maintained, stating the policies and objectives of its treasury management activities
- The order in which investment decisions are taken follows the principle of Security first, then Liquidity and finally Yield.
- Suitable treasury management practices are in place both internally and with the service provider, setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities

6.3 Banking

6.3.1 For reasons of value for money and to minimise duplication, the Commissioner and Chief Constable have shared banking arrangements for the main banking requirements. These bank accounts will be in the name of the Police & Crime Commissioner for Cheshire.

6.3.2 Responsibilities of the Chief Finance Officer (OPCC)

6.3.2.1 To be responsible for establishing banking arrangements and overseeing their operation.

6.3.2.2 To operate bank accounts as are considered necessary within the terms of the banking arrangements, and opening or closing any bank account. Only the Chief Finance Officer (OPCC) can open or close a bank account.

6.3.3 Responsibilities of the Chief Finance Officer (Constabulary)

6.3.3.1 To ensure that the procedures for any covert accounts required for operational policing purposes are maintained in accordance with clear procedures set by the Chief Constable and approved by the Chief Finance Officer (OPCC). Such accounts should be subjected to appropriate audit and certified as such.

6.4 Loans and Investments

6.4.1 The Commissioner is directly responsible for loans, investments and for borrowing money. The Commissioner is also the holder of the Police Fund. The Chief Constable is not able to borrow money. All surplus funds will be pooled and invested to maximise returns within the approved Investment Strategy.

6.4.2 Responsibilities of the Chief Finance Officer (OPCC)

6.4.2.1 To develop the Treasury Management Strategy and Treasury Management Policies for approval by the Commissioner.

6.4.2.2 To implement and monitor the Treasury Management policies and practices and to arrange for the execution and administration of treasury management decisions and to act in accordance with the Commissioner's Treasury Management Strategy and Treasury Management Policies.

6.4.2.3 To produce and maintain a cashflow for the effective discharge of Treasury Management.

6.4.2.4 To arrange borrowing and investments of the Commissioner in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the Commissioner's Treasury Management Strategy.

6.4.2.5 To report at least twice a year to the Commissioner on treasury management activities and prudential indicators.

6.4.2.6 To ensure that all investments of money are made in the name of the Commissioner or in the name of nominees approved by Commissioner.

6.4.2.7 Treasury Management remains the direct responsibility of the Chief Finance Officer (OPCC), but with their specific agreement the day to day management can be undertaken by the Retained Finance function.

6.4.2.8 To ensure that all securities which are the property of the Commissioner or their nominees and the title deeds of all property in the Commissioner's ownership are held in the custody of the Chief Executive.

6.4.3 Roles of Budget Managers

6.4.3.1 To follow the guidance on banking issued by the Chief Finance Officer (OPCC).

6.4.3.2 To ensure that no loans are made to third parties and no interests are acquired in companies, joint ventures, or other enterprises without the prior approval of Commissioner, following consultation with the Chief Finance Officer (OPCC).

6.5 Imprest Accounts

6.5.1 Imprest Accounts are either bank or cash accounts used to support minor expenditure. These should only be used when no other form of payment is available. Any new accounts must only be set up with the agreement of the Chief Finance Officer (OPCC).

6.5.2 Responsibilities of the Chief Finance Officer (Constabulary)

6.5.2.1 To provide officers and staff of the Constabulary with limited cash or bank Imprest accounts to meet minor expenditure where procurement cards are not available and to prescribe rules for operating these accounts. Minor items of expenditure must not exceed the prescribed amount.

6.5.2.2 To maintain a record of all petty cash advances made and periodically review the arrangements for the safe custody and control of these advances.

6.5.2.3 To reimburse float holders as often as necessary to restore the floats but normally not more than monthly.

6.5.3 Roles of Budget Managers

6.5.3.1 To ensure that staff operating an Imprest account:

- Obtain and retain vouchers to support each payment from the Imprest account. Where appropriate an official receipted VAT invoice must be obtained.
- Make adequate arrangements in their office for the safe custody of the account.
- Produce upon demand by the Chief Finance Officer (Constabulary), cash and all vouchers to the total value of the Imprest amount.
- Record transactions promptly.
- Reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the Imprest holder.
- Provide the Chief Finance Officer (Constabulary) with a certificate of the value of the account held at 31 March each year.
- Ensure that the float is never used to cash personal cheques nor to make personal loans and that only payments into the account are the reimbursement of the float change relating to purchases where an advance has been made.

NOTE: On leaving employment or otherwise and ceasing to be entitled to hold an Imprest advance, an employee shall account to the Chief Finance Officer (Constabulary) for the amount advanced to them.

6.6 Income (Cash and Invoiced)

Why is this important?

6.6.1 Income in the form of cash can be a vulnerable asset and effective income collection systems are necessary to ensure that all of the income due is

identified, invoiced correctly, collected, receipted and banked properly.

6.6.2 The Commissioner and Chief Constable should adopt the National Police Chief's Council (NPCC) national charging policies and national guidance when applying charges under Section 25 of the Police Act 1996. They should keep in mind that the purpose of charging for special services is to ensure that, wherever appropriate, those using the services pay for them. For mutual aid the Commissioner and Chief Constable should also adopt the NPCC charging policies.

6.6.3 The Commissioner should ensure that there are arrangements in place to ensure that expected charges are clearly identified in their budgets and that costs are accurately attributed and charged. When considering budget levels the Commissioner should ensure that on-going resource requirements are not dependent on uncertain or volatile income sources and should have due regard to sustainable and future year service delivery.

6.6.4 The key controls are:

- All income due to the Commissioner is identified and accounted for correctly
- All income is collected from the correct person, at the right time using the correct procedures and the appropriate stationery
- All money received on behalf of the Commissioner is paid without delay into the Commissioner's bank account, and properly recorded
- Seized cash or cash subject to a criminal investigation should be promptly banked where practical, but securely held otherwise in line with Constabulary procedures
- Effective action is taken to pursue non-payment within defined timescales
- Formal approval for write off is obtained and appropriate write off action is taken within defined timescales and appropriate accounting adjustments are made following write off action
- All appropriate income documents are retained and stored for the defined period in accordance with the "Retention of Documents Policy"
- Money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process

6.6.5 Responsibilities of the Chief Finance Officer (Constabulary)

6.6.5.1 To establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, to review it regularly, within corporate policies, taking into account 6.6.2 above and submit to the Commissioner for approval on an annual basis.

6.6.5.2 To agree arrangements for the collection of all income and approve the procedures, systems and documentation for its collection, together with a process for pursuing debt not paid on time.

6.6.5.3 To order and supply to Departments all receipt forms, books or tickets and similar items and satisfy themselves regarding the arrangements for their control.

- 6.6.5.4 To approve the write off of individual pension and salary bad debts under £10,000 and individual non-pay bad debts up to £10,000 and to refer debts in excess of these limits to the Commissioner for approval in consultation with the Chief Finance Officer (OPCC).
- 6.6.5.5 To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- 6.6.5.6 To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- 6.6.5.7 To ensure that where practical at least two staff are present when post is opened so that money received by post is properly identified and recorded.
- 6.6.5.8 To hold securely receipts, tickets and other records of income, for the appropriate period and to lock away all income to safeguard against loss or theft and to ensure the security of cash handling.
- 6.6.5.9 To ensure that income is paid fully and promptly into the appropriate Commissioner's bank account in the form in which it is received. Appropriate details should be recorded on to paying in slips to provide an audit trail.
- 6.6.5.10 To ensure income is not used to cash personal cheques or other payments.
- 6.6.5.11 Once raised, no bona fide debt can be cancelled except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.

6.6.6 Roles of Budget Managers

- 6.6.6.1 To ensure that invoice requests include sufficient details and breakdown of fees in order to demonstrate that the correct charges have been invoiced.
- 6.6.6.2 Invoice requests should be raised in advance of the service provision where appropriate.
- 6.6.6.3 To notify the Chief Finance Officer (Constabulary) of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the published timetable.
- 6.6.6.4 To assist the organisation in collecting debts that they have originated, by providing any further reasonable information requested by the debtor and in pursuing the matter on the Commissioner's behalf.
- 6.6.6.5 To ensure that the completion, verification and authorisation of grants and reimbursements are carried out in accordance with the terms and conditions.
- 6.6.6.6 The use of additional income above the budgeted level requires Commissioner approval (Scheme of Consent 4.1.8, Financial Regulations

7. COLLABORATIONS & PARTNERSHIPS

7.1 Collaborations

Why is this important?

7.1.1 Under sections 22A to 22C of the Police Act 1996 as inserted by section 89 of the Police Reform and Social Responsibility Act 2011, the Chief Constable and the Commissioner have the legal power and duty to enter into collaboration agreements to improve the efficiency or effectiveness of policing. Any collaboration which relates to the functions of a police force must first be agreed with the Chief Constable of each participating force. The Commissioner shall hold the Chief Constable to account for any collaboration in which the Constabulary is involved and must consider doing so in cooperation with the other Commissioners concerned.

7.1.2 Existing collaboration agreements made under the old section 23A of the 1996 Act transferred automatically to the Commissioner under the terms of Schedule 15 to the 2011 Act.

7.1.3 The key controls are:

- to recognise the statutory context in which the proposed arrangement is to be established
- to identify the objectives the proposed arrangement is designed to achieve/fulfil
- to demonstrate how those objectives will support the Commissioner's vision as set out in the Police and Crime Plan; and how the achievement of that vision will be promoted
- to identify and assess all known risks associated with the proposed arrangement and the extent to which those risks affect the viability of the proposals
- to identify and assess through a robust project appraisal process the viability of the proposals in terms of resources, staffing and expertise and prepare an exit strategy
- to identify and assess the contractual, legal and financial frameworks of the proposed arrangement and to ensure that those arrangements comply with the Commissioner's financial regulations and the Rules relating to contracts
- to identify and agree with other partners the roles and responsibilities of each of the other partners involved in the proposals and the lines of accountability from the proposed arrangement to the Commissioner, to the Constabulary and to other partners
- to be satisfied that other partners have carried out similar assessments for their own purposes, so far as practicable, of the matters referred to above
- to ensure that the proposed arrangement and its operation will not affect adversely any of the services provided by or for the Commissioner and Constabulary

7.1.4 The entering into of collaboration agreements under the Police Act 1996 (as amended) and any other significant joint ventures require the Commissioner's approval.

7.1.5 Responsibility of the Commissioner

7.1.5.1 To approve any collaboration in consultation with the Chief Constable and upon advice of their Chief Finance Officer (OPCC), ensuring that by doing so, it will support the objectives as set out in the Police and Crime Plan and comply with the approved policies on Collaboration.

7.1.6 Responsibility of the Chief Finance Officer (OPCC)

7.1.6.1 In consultation with the Chief Finance Officer (Constabulary) to promote and maintain the same high standards of conduct with regard to financial affairs in collaborations and other external arrangements that apply throughout the Office of the Commissioner and the Constabulary.

7.1.6.2 In consultation with the Chief Finance Officer (Constabulary), to specify the accounting and auditing arrangements to be adopted relating to collaborations and joint ventures and to consider the overall arrangements when arranging contracts with external bodies. To ensure that the risks have been fully appraised before agreements are entered into with external bodies.

7.1.6.3 In consultation with the Chief Finance Officer (Constabulary), ensure that for proposed external arrangements directly involving the Commissioner, the key controls above are, and will be, in place.

7.1.6.4 In consultation with the Chief Finance Officer (Constabulary), to specify the accounting and auditing arrangements to be adopted relating to collaborations and joint ventures and to consider the overall framework. They must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

7.1.7 Responsibilities of the Chief Finance Officer (Constabulary)

7.1.7.1 To advise on effective controls that will ensure that resources achieve value for money.

7.1.7.2 To maintain a register of all external arrangements entered into and that all agreements and arrangements are properly documented.

7.1.7.3 To advise on the key elements of funding a collaboration. They include:

- a scheme appraisal for financial viability in both the current and future years
- risk appraisal and management
- resourcing, including taxation issues
- audit, security and control requirements
- carry-forward arrangements
- exit strategy is in place

7.1.7.4 To ensure that the accounting arrangements are satisfactory.

7.1.7 Roles of Budget Managers

- 7.1.7.1 To ensure that the approval of the Commissioner is obtained before any negotiations are concluded on external arrangements for which the Commissioner's prior approval is required as set out above.
- 7.1.7.2 To ensure that before entering into agreements with external bodies, advice is sought from Finance and Legal Departments where required and a risk management appraisal has been prepared.
- 7.1.7.3 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the Commissioner or the Constabulary.
- 7.1.7.4 To provide appropriate information to the Chief Finance Officer (Constabulary) to enable appropriate information to be entered into the Statement of Accounts.

7.1.8 Responsibility of External Parties

- 7.1.8.1 It is expected that all External Parties working with the Commissioner/Constabulary will act as follows:
 - To be willing to take on a role in the broader programme appropriate to the skills and business services of the collaboration
 - To act in good faith at all times and in the best interests of the collaboration's aims and objectives
 - To be open about any conflict of interests that might arise and act wherever possible as ambassadors for the project
 - To encourage joint working and promote the sharing of information, business services and skills between public, private and community sectors
 - To hold confidentially any information received as a result of collaboration activities or duties that are of a confidential or commercially sensitive nature
 - Throughout the life of the collaboration, it is the responsibility of all parties to communicate regularly with each other so that the progress of the project is routinely monitored to identify areas where action may be required to fulfil the objectives of the collaboration and to identify and share problems in order to promote their successful resolution

7.2 Partnerships

Why is this important?

- 7.2.1 In addition to statutory partnerships such as the Community Safety Partnerships, both the Commissioner and the Constabulary work in voluntary partnerships with many other agencies to agree joint priorities and broaden the range of potential solutions to produce sustainable crime reduction and safer communities across Cheshire.
- 7.2.2 It is important to ensure that risk management and project appraisals are in place to assess the viability – both on initiation and on an on-going basis – of

all external arrangements and an exit strategy is prepared.

7.2.3 The key controls for partnerships are the same as those for collaborations above.

7.2.4 Responsibility of the Commissioner

7.2.4.1 To approve delegations, including frameworks for any statutory partnerships, and contractual arrangements for any work for third parties or external bodies.

7.2.4.2 To approve the frameworks for statutory and other partnerships and, where participation is discretionary, to ensure that by doing so, it will support the objectives as set out in the Police and Crime Plan.

7.2.5 Responsibilities of the Chief Executive

7.2.5.1 To arrange for attendance at relevant partnership meetings on behalf of the Commissioner to gain understanding of partners' priorities to inform the Police and Crime Plan.

7.2.5.2 To identify and undertake areas of joint working such as customer insight, potential joint commissioning opportunities or collaborative activities that support the reduction of crime.

7.2.6 Responsibility of the Chief Finance Officer (OPCC)

7.2.6.1 In consultation with the Chief Finance Officer (Constabulary) to promote and maintain the same high standards of conduct with regard to financial affairs in statutory partnerships and other commissioning arrangements that apply throughout the organisation.

7.2.6.2 In consultation with the Chief Finance Officer (Constabulary), to specify the accounting and auditing arrangements to be adopted relating to statutory partnerships and joint ventures and to consider the overall arrangements when formulating partnership arrangement contracts with external bodies. To ensure that the risks have been fully appraised before agreements are entered into with external bodies.

7.2.6.3 In consultation with the Chief Finance Officer (Constabulary), ensure that for proposed partnerships or other external arrangements directly involving the Commissioner, the key controls above are, and will be, in place.

7.2.6.4 In consultation with the Chief Finance Officer (Constabulary), to specify the accounting and auditing arrangements to be adopted relating to partnerships and joint ventures and to consider the overall framework. They must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

7.2.7 Responsibility of Chief Constable

- 7.2.7.1 To arrange for attendance at relevant partnership meetings on behalf of the Constabulary to gain understanding of partners priorities to inform the Police and Crime Plan.

7.2.8 Responsibility of Partners

- 7.2.8.1 It is expected that Partners working with the Commissioner/Constabulary will act as follows:

- To be willing to take on a role in the broader programme appropriate to the skills and business services of the partner organisation.
- To act in good faith at all times and in the best interests of the partnership's aims and objectives.
- To be open about any conflict of interests that might arise and act wherever possible as ambassadors for the project.
- To encourage joint working and promote the sharing of information, business services and skills between public, private and community sectors.
- To hold confidentially any information received as a result of partnership activities or duties that are of a confidential or commercially sensitive nature.
- Throughout the life of the partnership, to communicate regularly with each other so that the progress of the project is routinely monitored to identify areas where action may be required to fulfil the objectives of the partnership and to identify and share problems in order to promote their successful resolution.

- 7.2.9 It is expected that the Commissioner's and Constabulary's lead officer on each partnership body will, as far as possible, seek to ensure that partners follow the principles outlined at paragraph 7.1.3 and will notify the Commissioner or Chief Constable if it appears that partners are not working within these principles.

8. COMMISSIONING OF SERVICES

Why is this important?

- 8.1 Under Section 10 of the Police Reform and Social Responsibility Act 2011, the Commissioner is given the responsibility for co-operative working. This allows, within the constraints of the relevant funding streams, the Commissioner to pool funding as they and their local partners deem appropriate. The Commissioner can commission services or award grants to organisations or bodies that they consider will support their community safety priorities in accordance with their Police and Crime Plan. They may do this individually or collectively with other local partners including non-policing bodies. The Commissioner must have regard to the relevant priorities of each responsible authority as defined in Section 5 of the Crime & Disorder Act 1998.
- 8.2 Under Section 143 of the Anti-social Behaviour, Crime and Policing Act 2014:
- (1) the Commissioner may provide or arrange for the provision of—
 - (a) services that in the opinion of the Commissioner will secure, or contribute to securing, crime and disorder reduction in the body's area;
 - (b) services that are intended by the Commissioner to help victims or witnesses of, or other persons affected by, offences and anti-social behaviour;
 - (c) services of a description specified in an order made by the Secretary of State.
 - (2) An order under subsection (1)(c) may make different provision for different areas.
 - (3) The Commissioner arranging for the provision of services under this section may make grants in connection with the arrangements. A grant may be subject to any conditions (including conditions as to repayment) that the Commissioner thinks appropriate.
 - (4) In this section—

“anti-social behaviour” means behaviour by a person that causes or is likely to cause harassment, alarm or distress to one or more other persons not of the same household as that person;

“crime and disorder reduction” means reduction in levels of—

 - crime and disorder (including anti-social behaviour and other behaviour adversely affecting the local environment),
 - the misuse of drugs, alcohol and other substances, and
 - re-offending.
- 8.3 It is important to ensure that risk management and project appraisals are in place to assess the viability – both on initiation and on an on-going basis – of all external arrangements and an exit strategy is prepared.

8.4 The key controls are:

- Agreements with clear priorities and outcomes
- Grant conditions and outcomes

8.5 Responsibility of the Commissioner

8.5.1 To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan.

8.5.2 To work effectively with other local leaders in Cheshire who can also provide significant resources, to influence how all parties prioritise and bring together their resources to tackle local problems and priorities.

8.5.3 To consult with victims of crime about policing and the proposed Police and Crime Plan. To commission the majority of victim support services in Cheshire.

8.5.4 To make appropriate robust arrangements to commission services from the Constabulary or external providers.

8.6 Responsibilities of the Chief Executive

8.6.1 To develop a commissioning strategy and framework that will support the objectives as set out in the Police and Crime Plan. The framework should encourage a mixed economy of provider options and where necessary develop a specific Commissioner's Compact Agreement with the Voluntary Sector.

8.6.2 To oversee the Commissioning framework in line with the financial delegations as set out in Section 2 (Buying Goods and Services/Making Payments) of Chapter 5 of the Scheme of Corporate Governance.

8.6.3 To keep under review the performance and outcomes of any investments agreed by the Commissioner in respect of partnership activity.

8.6.4 Ensure financial expenditure does not exceed the budgeted level to achieve the objectives set out in the Police and Crime Plan where services are commissioned within community initiatives.

8.7 Responsibility of the Chief Finance Officer (OPCC)

8.7.1 To assist the Chief Executive to carry out the financial aspects of their responsibilities and in particular to budget and account for incoming funding and outgoing expenditure in accordance with accounting requirements.

9. FUNDING (Income Generation & Grants)

Why is this important?

- 9.1 External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the objectives and priorities of the Commissioner. Public Sector organisations are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Commissioner's overall plan.
- 9.2 There is also the potential with external funding to expose the Commissioner to greater legal and financial risks and there should be particular awareness of the need to balance innovation and opportunity with wider considerations of stewardship, probity and value for money.
- 9.3 The key controls are:
- To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood
 - To ensure that funds are acquired only to meet the priorities approved in the policy framework set by the Commissioner
 - To ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements
 - To recoup funding shortfalls from the disallowance of expenditure due to failure to meet terms and conditions of such funding, from within the approved Budget Head's budget

9.4 Responsibilities of the Chief Finance Officer (OPCC)

- 9.4.1 To approve supplementary revenue / capital estimates for successful bids which are funded in full by the Government or other agency and without the need for additional resources from the Commissioner in either current or future years.
- 9.4.2 To approve in consultation with the Chief Executive and the Chief Legal Officer the creation of, or participation in, separate legal entities such as joint ventures, trusts or limited companies and any agreement which requires the Commissioner to act as guarantor for a third party.

9.5 Responsibilities of the Chief Finance Officer (Constabulary)

- 9.5.1 To ensure that all funding notified by external bodies is received and properly recorded in the Commissioner's accounts.
- 9.5.2 To ensure that any match-funding requirements are considered prior to entering into any agreements and that future revenue budgets reflect these requirements.

- 9.5.3 To ensure that audit requirements are met.
- 9.5.4 To provide policy advice and support in the bidding process and ensure that the initiative / project aligns with the Commissioner's key priorities.
- 9.5.5 To report to the Commissioner at outturn the financial performance of all successful bids for additional funding.

9.6 Roles of Budget Managers

- 9.6.1 To provide an annual report to the Commissioner where the Constabulary participates in a joint funding arrangement either as the lead body or as a contributor outlining the how the sums paid have been used and the key outcomes and achievements.
- 9.6.2 To seek approval from the Chief Finance Officer (Constabulary) prior to bidding for external funding.
- 9.6.3 If a successful bid is fully funded per 9.4.1 above, to present the details to the Chief Finance Officer (OPCC) for approval.
- 9.6.4 If a successful bid attracts only short term funding and which, in the absence of a clear exit strategy may have implications for additional resources in future, to present the details to the Commissioner for approval before the short term funding can be accepted.
- 9.6.5 To inform the Chief Legal Officer and Chief Finance Officer (Constabulary) of all bids for external funding.
- 9.6.6 To ensure that all claims for funds are made by the due date.
- 9.6.7 To ensure that the project progresses in accordance with the agreed objectives and that all expenditure is properly incurred and recorded and if the funding is subject to specific terms and conditions, to ensure that these are also met.
- 9.6.8 To ensure that where the functions of the Constabulary are discharged through joint arrangements, the appropriate standards of probity, stewardship and value for money are secured.

9.7 Work for Third Parties

Why is this important?

- 9.7.1 Current legislation enables the Commissioner and Constabulary within limits to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is within the organisation's legal powers. Advice must be sought from the Chief Legal Officer before any such arrangements are agreed.

9.7.2 The key controls are:

- To ensure that proposals are costed properly in accordance with guidance provided by the Chief Finance Officer (Constabulary)
- To ensure that contracts are drawn up using guidance provided by the Chief Legal Officer and that the formal approvals process is adhered to
- To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register
- To ensure that risks are properly evaluated
- To take advice from the Chief Legal Officer

9.7.3 Responsibilities of Chief Legal Officer

9.7.3.1 To ensure that guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register is provided.

9.7.3.2 To ensure that a risk assessment process is carried out for any contract and that the Deputy Head of Legal Services (Head of Commercial Unit) advice is incorporated.

9.7.3.3 To ensure that the approval of the Commissioner is obtained before any negotiations are concluded to work for third parties.

9.7.4 Roles of Budget Managers

9.7.4.1 To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Chief Legal Officer and that all contracts are properly documented.

9.7.4.2 To ensure that appropriate insurance arrangements are made.

9.7.4.3 To ensure that the Commissioner is not put at risk from any bad debts.

9.7.4.4 To ensure that no contract is subsidised by the Commissioner and wherever possible, payment is received in advance of the delivery of the service.

9.7.4.5 To ensure that the service area has the appropriate expertise to undertake the contract and those contracts do not impact adversely upon the services provided for the Commissioner.

9.7.4.6 To provide appropriate information to the Chief Finance Officer (Constabulary) to enable a note to be entered into the Statement of Accounts.

9.8 Taxation

Why is this important?

9.8.1 Like all organisations, the Commissioner and Constabulary are responsible for ensuring their tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

9.8.2 The key controls are:

- Budget Managers are provided with relevant information/kept up to date on tax issues
- Budget Managers are instructed on the required record keeping
- All taxable transactions are identified, properly carried out and accounted for within stipulated timescales
- Records are maintained in accordance with instructions
- Returns are made to the appropriate authorities within the stipulated timescales

9.8.3 Responsibilities of the Chief Finance Officer (Constabulary)

9.8.3.1 To ensure the accuracy and completion of all His Majesty's Revenue and Customs (HMRC) returns regarding Pay as you earn (PAYE).

9.8.3.2 To ensure the accuracy and completion of returns of Value Added Tax (VAT) input and outputs to His Majesty's Revenue and Customs (HMRC).

9.8.3.3 To ensure the accuracy and provision of details to His Majesty's Revenue and Customs (HMRC) regarding the Construction Industry Tax Deduction Scheme.

9.8.4 Roles of Budget Managers

9.8.4.1 To ensure that the correct VAT liability is attached to all income and that all VAT recoverable on purchases complies with His Majesty's Revenue and Customs (HMRC) Regulations.

9.8.4.2 To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary Construction Industry Tax Deduction requirements.

9.8.4.3 To ensure that all persons employed by the Commissioner are added to the payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.

10. Procurement and Contracts

Why is this important?

- 10.1 The procurement of goods, services and works are governed by a strict and detailed legal framework. The key legislation is the Public Contract Regulations 2015, the Procurement Act 2023 and the Procurement Regulations 2024. This legislation applies across the entire public sector and is designed to promote competition, transparency and innovation in public procurement.
- 10.2 It is important to have a clear framework that promotes openness, integrity and accountability where the probity and transparency of the procurement process will be beyond reproach. This also mitigates the risk of expensive legal challenge and reputational damage.
- 10.3 Contract Standing Orders are an essential part of Financial Regulations and are designed to ensure that contracts are awarded in a way that:-
 - 10.3.1 secures best value for money
 - 10.3.2 maintains the highest standards of integrity and transparency
 - 10.3.3 provides confidence that all legal requirements are complied with
 - 10.3.4 ensures compliance with relevant governance responsibilities.
- 10.4 Contract Standing Orders set out the detailed rules and procedures which must be followed in purchasing goods, services or works. They are mandatory and non-compliance may lead not only to legal challenge but misconduct procedures or other adverse outcomes (eg audit findings). Breaches of Financial Regulations and / or Contract Standing Orders are a matter reportable to the Chief Executive of the Office of the Police and Crime Commissioner.
- 10.5 Information surrounding contracts awarded and any spend over £500 must be routinely published. This is made publicly available via contracts databases and the organisations own websites. Transparency is a fundamental requirement of the public procurement regime and a key feature of Contract Standing Orders. This makes following Contract Standing Orders critical.
- 10.6 These Financial Regulations and Contract Standing Orders are designed to aid both those procuring goods, services and works as well as suppliers in navigating the procurement process and facilitate a transparent means of conducting business with the organisation.
- 10.7 The Public Contract Regulations 2015 is superseded by the Procurement Act 2023 on 24th February 2025. A dual regime will exist for some time. Current contracts created under the provisions of the Public Contract Regulations 2015 continue to operate under that regime. This includes any frameworks that continue to operate at that time. New exercises (including the creation of new frameworks) commenced post 24th February 2025 will operate under the provisions of the Procurement Act 2023. This amendment to Contract Standing Orders is designed to meet the requirements of the new legislation and does not preclude the ongoing management, extension and modification of existing contracts under the Public Contract Regulations 201

ANNEX A

CONTRACT STANDING ORDERS – INSTRUCTIONS TO BE FOLLOWED

PROCUREMENT OVERVIEW

1.1 Background

- 1.1.1 As a publicly funded body, there must be transparency and accountability in the procurement process. Compliance with Contract Standing Orders mitigates the risk of allegations of impropriety or misconduct. The procedures ensure legal and governance compliance as well as ensuring value for money through competitive procurement processes.
- 1.1.2 Contract Standing orders apply to the purchase of all goods, services and works regardless of value (including where there may appear to no payment made). The relevant rules applicable (depending on value and other considerations) are set out below and must be followed unless an exemption has been sought and granted in advance in accordance with these rules.
- 1.1.3 For the avoidance of doubt, Contract Standing Orders are designed to set out the framework by which procurement exercises are conducted. They are designed in compliance with (not as a replacement for) relevant legislation and guidance which must be adhered to at all times.
- 1.1.4 For the purposes of the procurement legislation, the term “contracting authority” is used. References to the “authority” mean the Police and Crime Commissioner and / or the Chief Constable subject to the wider rules within the Scheme of Corporate Governance.

1.2 Governing Legislation and associated guidance

The key legislation / guidance applicable to public procurement is as follows:-

- Public Contract Regulations 2015 (noting this applies only to existing contracts and some exercises commenced pre-24th February 2025)
- Procurement Act 2023
- Procurement Regulations 2024
- National Procurement Policy Statement
- Procurement Policy Notes

1.3 Application of the Rules (Covered Procurements)

- 1.3.1 The rules apply to all “covered procurements” which means the award, entry into and management of a public contract. This also covers any step taken for the purpose of awarding, entering into or managing the contract, any part of the procurement process itself and will include the termination of a procurement process prior to award.
- 1.3.2 Unless exempted (see 1.4 below) a procurement exercise will be covered by these rules whether conducted on the organisations own behalf, where it acts jointly with or via another body.

1.4 Excluded / Exempted Contracts (Not Regulated)

- 1.4.1 Contracts are exempt from the requirements concerning competition where it is a type of contract listed in schedule 2 to which the Procurement Act 2023 generally does not apply. These fall into two categories, those that relate to the nature of the relationship between the parties and those that are exempt because of the subject of the contract. This is entirely distinct from an application for waiver /exemption under paragraph 6.1 below.
- 1.4.2 The following matters fall outside the requirements of competition (though will still require any applicable notices, recording and publication as appropriate) unless (in the case of subject matter exempted contracts), they could appropriately be split and elements competed:-
- 1.4.3 Any contract with another public sector organisation that falls within exemptions under Schedule 2, Part 1 of the Procurement Act 2023 relating to in-house contracts and co-operation between public bodies;
- 1.4.4 Contracts for the acquisition of land and buildings;
- 1.4.5 Contracts entered into in respect of broadcast content (eg programmes or advertising);
- 1.4.6 Contracts for the purchase of arbitration, mediation, conciliation or other similar services;
- 1.4.7 Contracts for specified legal services where it would be inappropriate to open those contracts to competition. These are contracts relating to judicial, other dispute resolution proceedings, notary and services that must be carried-out by a particular person under order of a court, tribunal or act;
- 1.4.8 Contracts for specific financial services such as loans, investment services/ advice or ancillary services relating to investments and credit;
- 1.4.9 Employment contracts and other contracts with individuals appointed to public office;
- 1.4.10 Contracts for the provision by an organisation or association not run for profit of one or more of the following services:
 - a) services relating to the promotion of fire safety
 - b) fire extinguishing services
 - c) services for the protection of life and property in the event of fires
 - d) search and rescue services
 - e) civil defence services
 - f) nuclear safety services
 - g) ambulance services provided in respect of medical emergencies (note this does not include general patient transport, for example, between home and a treatment centre)

In addition, the following matters will fall outside the requirements of competition but all

other requirements under the Procurement Act 2023 as are appropriate will remain applicable:-

1.4.11 Procurements made through a Framework Agreement, Local Government / Police Consortia contract or other centrally or locally negotiated contracts, frameworks or purchasing systems that have already been subject to competition as approved by the Deputy Head of Legal Services (Head of Commercial Unit). Where such a route is selected, the relevant rules will be complied with and any call off arrangements will be followed. Records will be maintained to evidence compliance with framework rules and procedures.

1.4.12 Payments made to other parts of the Government or public bodies where the arrangements fall outside procurement legislation, eg Mutual Aid.

1.4.13 Purchases at public auction as approved by the Chief Executive.

1.5 Procurement Objectives and National Procurement Policy Statement

1.5.1 In carrying out a procurement process, the following objectives must be considered:-

- a) delivering value for money
- b) maximising public benefit
- c) sharing information for the purpose of allowing suppliers and others to understand the authority's procurement policies and decisions;
- d) acting, and being seen to act, with integrity.

1.5.2 This means that transparency and integrity are at the heart of procurement activity and processes. We will:-

- i. treat suppliers the same unless a difference between the suppliers justifies different treatment (taking steps to ensure any differing treatment does not confer an unfair advantage / disadvantage).
- ii. have regard to the fact that small and medium-sized enterprises may face particular barriers to participation and consider whether such barriers can be removed or reduced.
- iii. Have regard, as appropriate and required by law, to the National Procurement Policy Statement.

1.6 Procurement Strategy

1.6.1 The Deputy Head of Legal Services (Head of Commercial Unit) is responsible for preparing a three-year Procurement Strategy to complement the legal framework and National Procurement Policy Statement. This will be approved by the Commissioner and made available via the Police and Crime Commissioners public facing website.

1.6.2 Effective delivery of the Strategy will support the Police and Crime Commissioners objectives in the Police and Crime Plan.

1.6.3 The Procurement Strategy will include:-

- a) Key Priorities
- b) Our approach
- c) Ethical Procurement Policy to include (but not limited to) modern slavery, environmental matters, code of ethics and equality and diversity.
- d) Supplier Code of Ethics
- e) Social Value Policy

1.6.4. Both suppliers and those seeking to procure goods, services or works should familiarise themselves with the Strategy alongside these Contract Standing Orders to better understand both priorities and approach to procurement as well as the practical points around doing business with the PCC and Constabulary.

1.7 Roles & Responsibilities

1.7.1 Roles of the Chief executive

- a) Where a tender is not processed through the e-procurement portal, to make arrangements to receive, record and open tender submissions for contracts over the value of £150,000 in conjunction with another officer present.
- b) To approve purchases at public auction or where purchases are considered by the Chief Constable to be of an emergency nature to preserve the Commissioner's assets or maintain services.
- c) To designate and record arrangements in the Office of Police and Crime Commissioner for the signing or, signing and sealing, of any contract or other legal document as appropriate in accordance with the Scheme of Consent / Delegation and to ensure that a signing register is maintained.
- d) To grant exemptions / waivers as appropriate in accordance with the rules and process set out in these Contract Standing Orders where the value is in excess of £150,000.
- e) To provide guidance and support on the application of Financial Regulations / Contract Standing Orders in the event of any uncertainty or dispute.
- f) To approve, as is appropriate, any modifications, variation or extension to contracts in consultation with the Deputy Head of Legal Services (Head of Commercial Unit).

1.7.2. Responsibilities of the Chief Finance Officer (OPCC)

- a) To receive reports of any breaches of Financial Regulations / Contract Standing Orders and determine in consultation with the Chief Legal Officer and Deputy Head of Legal Services (Head of Commercial Unit) the appropriate actions to be taken.
- b) In the absence of the Chief Executive, to sign or, sign and seal, any contract or other legal document as appropriate and to ensure that a signing register is completed.
- c) To grant exceptions / waivers as appropriate in accordance with the rules and process set out in these Contract Standing Orders where the value is in excess of £150,000.

1.7.3 Responsibilities of the Chief Finance Officer (Constabulary)

- a) To sign contracts (including any variations or modifications) with a total value between £10,000 and £150,000.
- b) In conjunction with the Chief Legal Officer consider and advise on any requests to dispose of assets or property.

1.7.4 Responsibilities of the Chief Legal Officer

- a) To approve standard contract terms and conditions and any deviation from the requirements of paragraph 2.10.5
- b) To approve the acceptance of Supplier terms and conditions under paragraph 2.10.6
- c) To sign contracts (including any variations or modifications) with a total value between £10,000 and £150,000.
- d) To consider exemption requests with a value of £150,000 or more and provide their advice / approval of the same for consideration by the OPCC.
- e) To approve (where appropriate) the extension of any contract as provided for in paragraph 5.3.3.
- f) To consider and make a decision in relation to termination of a contract in accordance with paragraph 5.4.
- g) In conjunction with the Chief Finance Officer (Constabulary) consider and advise on any requests to dispose of assets or property.

1.7.5 Responsibilities of the Deputy Head of Legal Services (Head of Commercial Unit)

- a) To develop and provide guidance on procurement process including Procurement Strategy and associated policy.
- b) To support the Police and Crime Commissioner and Chief Constable throughout the procurement lifecycle from pre procurement, procurement and contract management.
- c) To ensure compliance with national legislation.
- d) To ensure that all procurement activity (over the value of £10,000) is conducted electronically.
- e) To maintain accurate electronic records of all contracts with a value of £10,000 or greater via a suitable electronic procurement system.
- f) To provide management information to the Chief Finance Officer (OPCC) including reports of exemptions / waivers and any breaches of Financial Regulations / Contract Standing Orders.
- g) To engage with regional and national bodies and cooperate in the provision of relevant information as is appropriate including, but not limited to, savings data, spend information, FOI and modern slavery returns.
- h) To consider and, where appropriate, grant exemptions under paragraph 6.1.3 of these Contract Standing Orders where the value does not exceed £150,000 in total and to provide advice in relation to exemption applications above that value.

- i) To authorise the use of framework agreements and sign access agreements permitting access to use of a framework.
- j) In the alternative to the Chief Legal Officer, to approve standard contract terms and conditions and any deviation from the requirements of paragraph 2.10.5
- k) To provide advice to the Chief Legal Officer in relation to matters set out in Contract Standing Orders requiring their decision.

1.7.6 Budget Holders

- a) To comply with the rules and procedures set out in these Contract Standing Orders.
- b) To engage with the Commercial Unit in advance of any procurement requirement setting out clearly the nature of the goods, services or works required.
- c) To ensure appropriate budgets are in place to enable the procurement process to proceed including ensuring any necessary budget approvals have been secured.
- d) To provide sufficient resources to support the procurement process including (but not limited to) developing a specification, engaging as appropriate in any pre-market engagement activities, developing the procurement documents and supporting the evaluation and award process.
- e) To note that no IT Goods or Services may be procured without the permission of IT Services. Budget Holders will ensure that any approvals or permissions required in respect of such matters is obtained in advance of procurement activity.
- f) To check that and goods and services received are in line with the order / contract and that any issues are raised promptly with the Commercial Unit
- g) To engage in ongoing contract management with the Commercial Unit as is appropriate.
- h) Not to enter into any loan, lease or rental agreements (other than covert or short term hire of rooms) without consulting with the Deputy Head of Legal Services (Head of Commercial Unit) and with the permission of the Chief Executive.

1.7.7 All Staff

- a) To comply with the rules and procedures set out in these Contract Standing Orders.
- b) To promptly declare any potential conflict of interest and be transparent in the provision of information concerning the same.

1.8 Separation of Duties

1.8.1 The procurement process must operate a strict separation of duties policy by ensuring that there is always more than one person involved in the ordering, receiving and payment process. There must always be a separation of duties between the person authorising an order and the person checking a written invoice or requisitioning the goods or services.

1.9 Conflicts of Interest

- 1.9.1 A conflict of interest arises in a procurement context where there is a conflict between the interests of a person acting in relation to a procurement and those of the procurement itself. This may include personal connection to suppliers, staff who hold a business interest wishing to bid for contracts and a variety of scenarios where an individual has some form of connection that may present conflict in the procurement process.
- 1.9.2 Whilst the conflict of interest provisions in legislation do not apply to below-threshold procurements, the underlying principles are relevant and in all cases a proportionate approach will be taken to conflicts of interests assessments in respect of exercises above the value of £10,000.
- 1.9.3 Every Officer and Staff member has a duty to declare any business interests in accordance with the Business Interests Procedure. Any Budget holder or person involved in the procurement process will declare any known or perceived conflict of interest in relation to a procurement exercise regardless of value.

Identifying and managing conflicts

- 1.9.4 Reasonable steps must be taken to identify and keep under review any conflict or potential conflict of interest. This will include “perceived” conflicts. That means recognising how a situation looks even where no actual or potential conflict exists.
- 1.9.5 In respect of all procurement exercises, the Commercial Unit will maintain a conflict assessment form designed to monitor and record conflict of interests throughout the whole life cycle of the procurement. This will include suitable declaration forms for each individual involved in the process. This must be prepared before publishing a tender or transparency notice or dynamic market notice relating to the establishment of a dynamic market.
- 1.9.6 In the event of a conflict (actual, potential or perceived), the Deputy Head of Legal Services (Head of Commercial Unit) will be notified. Appropriate measures (including any mitigating steps that can be put in place) will be considered. These may include:-
- a) Replacing individuals in the process
 - b) Providing for additional individuals to support the evaluation process
 - c) Using independent monitors
 - d) Cancelling and re-running the procurement process
 - e) Requiring suppliers to take reasonable steps to address the conflict arising. Failure to do so may mean a supplier is treated as excluded.
- 1.9.7 Such measures will be identified in the conflicts assessment and the approval of the Chief Legal Officer sought.

1.10 Use of Consultants

- 1.10.1 The use of Consultants is a subject matter to which Contract Standing Orders applies just as any other service. There are many frameworks available for

securing specialist Consultants that can be considered. The usual rules around competition or exemptions otherwise apply.

1.11 Working with Small and Medium Enterprises (“SMEs”)

1.11.1 All public bodies are required to have regard to the fact that SMEs may face particular barriers to participation in a procurement process and should consider whether those barriers may be removed or reduced.

1.11.2 The procurement process will strive to create opportunities for SME’s where it is relevant to the subject matter of the contract and proportionate to do so. Working with SME’s forms an integral part of the Procurement Strategy and, in particular, the Social Value Policy. The Procurement Strategy will to seek to identify which contracts may be suitable for local procurement and the use of SME’s, will consider lots to enable use of a local supplier base and will prioritise framework agreements where they include a locally based supplier chain for construction projects.

1.12 Excluding Suppliers & Subcontractors

1.12.1 The integrity of the procurement process is key. Suppliers (including subcontractors) may be excluded from the procurement process in accordance with the rules set out below. As part of the procurement process, information about whether a supplier intends to sub-contract will be requested to enable appropriate assessments to be made.

1.12.2 Where a supplier is an “excluded supplier” in accordance with Schedule 6 of the Procurement Act 2023, they will be excluded from the procurement process if:-

- a) The circumstances giving rise to the application of the exclusion ground are continuing or likely to occur again, or
- b) the supplier or an associated person is on the debarment list by virtue of a mandatory exclusion ground.

1.12.3 Where a supplier is considered an “excludable supplier” by reason of a discretionary ground set out in Schedule 7 of the Procurement Act 2023 they may be excluded from the procurement process if:-

- a) the circumstances giving rise to the application of the exclusion ground are continuing or likely to occur again, or
- b) the supplier or an associated person is on the debarment list by virtue of a discretionary exclusion ground.

1.12.4 In considering whether the circumstances giving rise are continuing or likely to occur again the Commercial Unit will consider:-

- a) evidence that the issue has been addressed and taken seriously
- b) steps taken to manage and prevent continuation / recurrence
- c) commitments made in relation to (b) above
- d) lapse of time since circumstances last occurred
- e) any other evidence or factor considered appropriate

1.12.5 The Commercial Unit will provide suppliers reasonable opportunity (bearing in mind the constraints in terms of time and process) to make any representations or provide any evidence it wishes to do so to assist the consideration of 1.12.3 above. This may include, in the case of sub-contractors, any intention to find an alternative supplier with which to sub-contract.

1.12.6 Decisions regarding excluded and excludable suppliers will be confirmed in writing to the relevant supplier together with associated rationale.

1.13 Contracts Register

1.13.1 A register of all Contracts above £10,000 in value will be maintained by the Commercial Unit via a suitable e-procurement system with the capacity to link to the Central Digital Platform and facilitate the publication of information to members of the public. In accordance with the Police and Crime Commissioners statutory obligations, this will include publication (as appropriate) of relevant documents including copy contract (redacted if necessary).

2 PROCUREMENT – PLANNING, DESIGN, TIMINGS & DOCUMENTATION.

2.1 Overview

2.1.1 It is essential that Budget Holders and those seeking to procure goods, services and works engage early with the Commercial Unit. The Procurement Act 2023 introduces a significant number of changes to the public procurement regime including as regards pre-market engagement, advance planning, notices and transparency.

2.1.2 To avoid legal challenge and governance risk, discussions around any new procurement processes and any renewals or modifications must be raised with the Commercial Unit prior to any interaction with an incumbent supplier or the market generally.

2.2 Value and referral to the Commercial Unit.

2.2.1 Purchases below £10,000 (aggregate)

- a) where the total value of goods, services and works which are proposed to be purchased is less than £10,000 there is no requirement to follow a competitive procurement process.
- b) The Commercial Unit are not involved in purchases below that threshold unless the proposed purchase is complex/ unusual, business critical or involves particular risk. In those cases, guidance from the Commercial Unit should be sought.
- c) Budget Managers must ensure that “best value” (by which it is meant the process of choosing a supplier that offers the best balance between cost, quality and sustainability) is obtained and any budgetary constraints are complied with.
- d) Purchase Orders must be used.
- e) Where a framework is used below £10,000 this must be in accordance with framework access rules. The advice of the Deputy Head of Legal

Services (Head of Commercial Unit) should be sought in respect of utilisation of any framework for further advice.

2.2.2 Above £10,000 (aggregate) – any proposed purchase of goods, services or works with an estimated aggregate value of £10,000 or more must be procured through a competitive process conducted via the Commercial Unit. The Commercial Unit must be notified before any procurement activity (including discussions and pre-market engagement) commences.

2.3 Contract Durations

2.3.1 Contracts must not be artificially split in duration so as to avoid the provisions of Contract Standing Orders. Repeat contracts must be aggregated in value (see section 2.4) in any event.

2.3.2 In planning a procurement process Budget Holders must consider the total anticipated length of the contract. Whilst there may be a primary term and available extensions built in to reach that overall duration, it is essential that an accurate assessment of the likely total duration required is undertaken. This is particularly important for high value systems involving significant capital expenditure that are expected to be in place for a lengthy period of time. Provision should be made at the outset for a contract of suitable duration.

2.3.3 No contract (including a framework agreement) may exceed the duration permitted in the Procurement Act 2023.

2.4 Contract Values

2.4.1 The estimated value of a Contract will be the total value estimated to be payable over the full term of the Contract. This shall include any option to extend the term under the contract and may include amounts already paid.

2.4.2 In cases where no payment is made, the best possible estimate of the financial value to the Contractor will be calculated. This will include (but is not limited to) any amounts representing commission prospectively payable.

2.4.3 The estimated value of a Framework Agreement is an estimate of the total value of all the Contracts which could be entered into by the organisation and other contracting authorities, further to that Framework Agreement.

2.4.4 Purchases of the same or similar goods or services must be aggregated wherever practicable. Contracts must not be artificially separated so as to circumvent the application of any part of Contract Standing Orders or the Procurement Act 2023 and associated regulations.

2.4.5 Where contracts are of themselves below the relevant threshold, but form a series of related or repeat purchases they will be aggregated and subject to the correct regime depending on total value.

2.4.6 Where an estimate is not possible the value will be treated as above threshold for the type of contract to which it applies.

2.4.7 The following rules apply according to value:-

Contracts between £10,000 and £50,000

- 2.4.8 At least three quotes from suppliers must be sought. These will be requested electronically either via the e-procurement system or email.
- 2.4.9 In practice it will be usual to request more than three quotes to ensure that three quotes are received. In the event that it is considered appropriate to seek less than three quotes the approval of the Deputy Head of Legal Services (Head of Commercial Unit) will be required. Where less than three quotes are received back, consideration should be given to requesting further quotes but bearing in mind the risk if some quotes have already been received with caution taken if requested to avoid any disadvantage or impact on the integrity of the process.
- 2.4.10 Full records of the request and all responses / communications will be maintained by the Commercial Unit.

Contracts between £50,000 and £100,000

- 2.4.11 Standard process will be to advertise the opportunity and invite tenders via a below threshold procedure.
- 2.4.12 Where the nature of the market or circumstances of the procurement mean that best value can be achieved via requests for quotation, this process may be used with the approval of the Deputy Head of Legal Services (Head of Commercial Unit) with the decision recorded in writing along with reasons why the alternative process has been adopted.

Contracts between £100,000 and Threshold

- 2.4.13 The opportunity must be advertised and tenders invited via a below threshold procedure. Where the nature of the market or circumstances of the procurement mean that best value can be achieved via requests for quotation, this process may be used with the approval of the Chief Executive with the decision recorded in writing along with reasons why the alternative process has been adopted.

Contracts above Threshold

- 2.4.14 See section 2.6 below.

Frameworks / Dynamic Markets

- 2.4.15 A framework or dynamic market may be used in the alternative to the processes described above where the framework specification and terms are suitable. Where use of a framework or dynamic market is proposed, the exercise may be run in house by the Commercial Unit or by the framework owner. The relevant rules applicable must be complied with and full records maintained. The Commercial Unit will advise about the availability of these options as an alternative route to market and the presumption should be that where a suitable, value for money, framework exists this will be utilised to avoid the additional expenditure and resource in a further individual exercise.

2.5 Duty to Consider Lots

- 2.5.1 Prior to commencing a tender exercise, consideration will be given to whether the contract could be supplied under more than one contract and whether the contract could be awarded by reference to lots.
- 2.5.2 Where the Contract is above UK threshold and could be awarded by reference to lots it should be awarded in that manner unless documented justification for not doing so is recorded.

2.6 Competition Requirements under the Procurement Act 2023

- 2.6.1 Where the value of the contract is above the relevant threshold under UK Legislation, no contract may be entered into unless it is awarded via one of the following routes:-
- a) Competitive award
 - b) Direct award in cases permitted by legislation (exempted contracts at 1.4 above and direct award via application for exemption at 6.1 below)
 - c) Award via a framework in accordance with framework rules and procedures
- 2.6.2 Whilst these Contract Standing Orders provide for tender exercises at the values specified, the requirements under the Procurement Act 2023 will be observed. Where notices are mandatory in above threshold matters they may be voluntary in respect of below-threshold procurements. Nothing in this Contract Standing Orders makes a notice under the Act mandatory where it is voluntary in respect of below-threshold procurements.

2.7 Award following competitive tendering process

- 2.7.1 Where a competitive tender process has been followed, the “Most Advantageous Tender” will be selected.
- 2.7.2 Most Advantageous means the tender that is considered:-
- a) Satisfies the requirements set out in the invitation to tender and
 - b) Best satisfies the award criteria by reference to the assessment methodology (and relative weighting) set out in the invitation to tender.
- 2.7.3 Tenders that do not satisfy the conditions of participation must be disregarded.
- 2.7.4 Tenders that are submitted from a supplier that is not a UK or treaty state supplier (or who intends to subcontract to a supplier who is not) may be disregarded.
- 2.7.5 Tenders offering a price that is considered abnormally low may be disregarded. Appropriate notification and opportunity to respond will be provided in this instance.
- 2.7.6 Breach of any procedural requirement set out in the tender notice or documents may lead to the tender being disregarded.

2.8 Preliminary Market Engagement

- 2.8.1 Engagement with the market prior to issuing a tender / transparency notice should be used (where appropriate) to assist further develop requirements, inform the approach to procurement, design a procedure, identify suppliers in the marketplace, build capacity to respond and inform the tender documentation.
- 2.8.2 In all cases where a tender exercise is to be undertaken, preliminary market engagement must be considered.
- 2.8.3 In above UK threshold procurement exercises preliminary market engagement should be considered the norm. A decision to commence an above threshold exercise without engaging in preliminary market engagement should be referred to the Deputy Head of Legal Services (Head of Commercial Unit) for approval.
- 2.8.4 Appropriate notices will be issued in relation to preliminary market engagement in accordance with the Procurement Act 2023.
- 2.8.5 Steps must be taken to ensure suppliers participating in pre-market engagement are not put at an unfair advantage and that competition is not otherwise distorted. Suppliers who have received an unfair advantage which cannot be avoided must be treated as an excluded supplier.

2.9 Routes to Market – procedures available

- 2.9.1 The advice of the Commercial Unit will be taken in relation to the choice of procurement procedure. Options available will include:-
 - a) Use of an existing contract/ framework
 - b) Accessing an established framework
 - c) Direct Award (where available and approved)
 - d) Use of a DPS / Dynamic market (not covered in this guide and will require advice from the Commercial Unit)
 - e) Carry out a competitive process according to value.
- 2.9.2 A below-tender threshold process will be applicable in all cases below UK thresholds. This may not include a conditions of participation stage.
- 2.9.3 For all above UK threshold procurement exercises, advice will be taken from the Commercial Unit on the appropriate choice of one of two competitive processes:-
 - a) an Open Tender exercise – a single stage procedure where any interested party can submit a tender.
 - b) Competitive flexible procedure – any other procedure appropriate for the purpose of awarding the public contract.
- 2.9.4 A competitive flexible procedure must be used where there is a desire to limit the number of suppliers before inviting tenders. Where the subject matter of the contract is simple this should be limited to an initial stage involving conditions of participation followed by a second simple invitation to tender stage.
- 2.9.5 For more complex procurements, a more detailed multistage exercise may be

conducted. This could include (but is not limited to) negotiations, inspections, demonstrations and site visits.

2.9.6 Competitive flexible procedures should be designed to encourage rather than limit competition and bear in mind the procurement objectives and strategy.

2.10 Legal Considerations: terms & signing

Written agreement

2.10.1 All contracts must be recorded in writing.

Contract terms and conditions

2.10.2 Where the total value of goods, services or works is less than £10,000 a purchase order must be used. This contains purchase order terms and conditions and form the basis of agreement with the supplier.

2.10.3 All contracts for a value exceeding £10,000 must be on written terms and conditions drafted or approved (which may include framework terms and conditions) by the Chief Legal Officer or Deputy Head of Legal Services (Head of Commercial Unit).

2.10.4 Standard Terms and Conditions may not be varied without the prior approval of the Deputy Head of Legal Services (Head of Commercial Unit) or the Chief Legal Officer. It may be appropriate to do so in certain situations for example industry practice (banking, utilities), existing framework terms and conditions, building works standard form contracts or complex and unusual matters requiring bespoke terms and conditions.

2.10.5 Along with any implied terms under the Procurement Act 2023, the following matters will be provided for in any terms and conditions unless the Deputy Head of Legal Services (Head of Commercial Unit) or the Chief Legal Officer authorise otherwise.

- a) The detail of the goods, services or works to be provided
- b) Price to be paid and frequency of payment including and price variation or price increases
- c) The time within which the contract is to be performed
- d) Details of the suppliers response to RFQ or tender as appropriate
- e) Suitable clauses relating to bribery and corruption
- f) Restrictions on assignment and sub-contracting
- g) Quality standards including compliance with any legal requirements and industry standards
- h) Indemnities and Insurance with minimum thresholds in respect of public and employers liability (£5m minimum in respect of each) and professional indemnity (where applicable, £2m minimum)
- i) Remedies for default to include right of termination and set off
- j) Compliance with the College of Policing Code of Ethics (where appropriate to the subject matter of the contract)
- k) TUPE (in cases where such legislation may apply in relation to staff)

- l) Third party rights to facilitate the Chief Constable and PCC may enforce relevant terms as appropriate.

- 2.10.6 Contractor Standard Terms and Conditions may be accepted for purchases under £10,000 as an alternative to purchase order terms and conditions only if the supplier will not accept purchase order terms and conditions or they are otherwise considered suitable and appropriate in the circumstances. Advice should be taken from the Commercial Unit in the event of any doubt. For contracts above £10,000 in value Contractor Standard Terms and Conditions may not be accepted without the advice of the Deputy Head of Legal Services (Head of Commercial Unit). Where it is considered appropriate the permission of the Chief Legal Officer to proceed will be obtained.
- 2.10.7 Where a supplier is either required or intends to use a subcontractor in performance of the contract, they will be required to enter a legally binding contract with the supplier in that respect. Evidence will be requested from and supplied by the supplier of the same.

2.11 Legal Considerations: Bonds and Parent Company Guarantees

- 2.11.1 A Parent Company Guarantee should be required where the Tenderer is a subsidiary of a parent company and:-
 - a) the total value of the contract exceeds threshold; or
 - b) the award is based on the evaluation of the parent company or
 - c) there is some concern about the stability of the Candidate.
- 2.11.2 Where a tenderer has a Parent Company the invitation will make it clear that a Parent Company Guarantee may be required.
- 2.11.3 The Chief Finance Officer (Constabulary) will be consulted regarding the requirement for a bond in any case where:-
 - a) the total value of the contract exceeds £1,000,000; or
 - b) it is proposed to make stage or other payments in advance of receiving the subject matter of the stage payment (ie payment in advance); or
 - c) where there is some concern about the stability of the tenderer / market

3 PROCUREMENT DOCUMENTATION

3.1 Record keeping

- 3.1.1 The Deputy Head of Legal Services (Head of Commercial Unit) will ensure that appropriate records are maintained throughout the procurement process. In respect of Tender exercises this will include:-
- 3.1.2 Documented evidence of any “material decision” made during the award of a contract
- 3.1.3 Records of any communications with suppliers in relation to the award of contract prior to the award taking place.

3.2 Notices

3.2.1 The Deputy Head of Legal Services (Head of Commercial Unit) will cause the following notices to be published as appropriate:-

3.2.2 Tender specific notices:-

Notice	Above threshold	Below threshold
Preliminary market engagement notice	Where anticipated or has taken place (Mandatory or reasons not issued explained in Tender notice)	Voluntary
Planned Procurement notice	Optional	Optional
Tender Notice	Mandatory	Mandatory where conducting a regulated below-threshold procedure
Transparency Notice	Mandatory where direct award	Mandatory where direct award
Contract Award Notice	Mandatory	Voluntary
Contract Details Notice	Mandatory	Mandatory for regulated below threshold contracts
Contract Payment Notice	Mandatory for all payments over £30,000 made under a public contract (quarterly)	N/A
Contract Performance Notice	Mandatory to report:- (a) KPI scores for contracts valued £5m+ (b) poor performance	Mandatory in relation to poor performance
Contract Change Notice	Mandatory	Mandatory when modification takes over threshold.
Contract Termination Notice	Mandatory	Voluntary
Procurement Termination Notice	Mandatory where terminating process post publication of tender/transparency notice	Voluntary

3.2.3 General Notices

- a) Payment compliance notices will be published twice annually detailing compliance against 30 day payment terms.
- b) Pipeline notices where total spend is above £100m per annum (and only for contracts over £2m that will commence within the next 12-18 months).

3.3 Instructions and specification

3.3.1 Budget Holders will prepare (with appropriate advice from the Commercial Unit) a detailed specification for the goods, services or works to be procured. This will identify clearly the nature of the requirement without artificially limiting competition.

- 3.3.2 Budget Holders will identify the available budget and confirm they have budget approval in place when requesting support from the Commercial Unit.
- 3.3.3 All parties invited to quote or tender must receive identical information dispatched at the same time (other than where there are particular reasons why this is not appropriate, for example when further quotes are sought due to lack of response).
- 3.3.4 Communications must be uniform and all consistent. To that end during the procurement process all communication with suppliers / tenderers during the quote or tender process will be via the Commercial Unit.

3.4 Conditions of Participation

3.4.1 The Procurement Act 2023 allows contracting authorities to set conditions of participation which a supplier must satisfy in order to be awarded a public contract following a competitive tendering procedure. These must related only to the suppliers:-

- a) legal and financial capacity; or
- b) technical ability to perform the contract.

3.4.2 Conditions of participation may be used in the competitive flexible procedure to provide a proportionate means of ensuring capacity or ability and to limit suppliers involved in the process. They should be proportionate taking into account the nature of the contract, value and complexity.

3.4.3 The responses to the conditions of participation must be assessed separately from the tender, the tender (only) being assessed against the award criteria. In practice, their assessment may occur in parallel (for example, in an open procedure), but once a supplier has met the conditions of participation, their tender must, in relation to the award criteria, be assessed without consideration given to how they were assessed under the conditions of participation.

3.5 Award Criteria

3.5.1 Award criteria are the means by which tenders are assessed during a competitive tendering procedure. This will be published as part of the procurement process.

3.5.2 Criteria must :-

- a) Related to the subject matter of the contract
- b) Be clear, measurable and specific
- c) Comply with the rules on technical specifications as contained in the Procurement Act 2023
- d) Be a proportionate means of assessing tenders taking into account the nature, complexity and costs of the contract.

3.5.3 Detail will be provided as part of the procurement process as to how tenders will be assessed against the award criteria. This will include any scoring matrices / guidance used by the evaluators when evaluating tenders submitted and will indicate the relative importance of criteria in some manner (for example weighting or ranking).

- 3.5.4 Award criteria may including price, quality and technical criteria. They may also include other wider social, economic and environmental benefits so long as they relate to the subject-matter of the contract, are clear and comply with rules on technical specifications.
- 3.5.5 Any refinement of award criteria must comply with Section 24 of the Procurement Act 2023 and must be provided for in the tender notice or associated documentation. Any refinement must be made before inviting final tenders. Criteria will not be refined in a competitive flexible procedure where this would have permitted one or more suppliers from earlier rounds to progress had the refinement been made earlier.

3.6 Form of Tender

- 3.6.1 All tenders must be submitted electronically though the e-procurement system unless prior approval is given by the Deputy Head of Legal Services (Head of Commercial Unit).
- 3.6.2 Quotes should be submitted electronically. For quotes up to the value of £50,000 this may be via email or other electronic means. For quotes over the value of £50,000 this must be via the e-procurement system unless prior approval is given by the Deputy Head of Legal Services (Head of Commercial Unit).
- 3.6.3 All tenders and quotes should be submitted in compliance with the instructions set out in the Invitation to Tender or Request for Quote. Non-compliance with this requirement may result in a quote /tender not being considered unless there are exceptional circumstances. The acceptance of a non-compliant quote/ tender requires the authorisation of the Chief Executive.
- 3.6.4 If a paper submission is permitted, they should be addressed to:-
- a) The Deputy Head of Legal Services (Head of Commercial Unit) where the value is up to £150,000 at Legal Services, Clemonds Hey, Oakmere Road, Winsford, CW7 2UA,
 - b) The Chief Executive (where the value is over £150,000 at the Office of the Police and Crime Commissioner, Clemonds Hey, Oakmere Road, Winsford, CW7 2UA.
- 3.6.5 Instructions will be provided in the event of paper submissions around marks on envelopes and reference to closing date/time to preserve the integrity of the process.

4 PROCUREMENT PROCESS

4.1 Procurement information and process management

- 4.1.1 To avoid the legal and compliance risk, the procurement process in respect of all exercises above £10,000 is managed by the Commercial Unit via an e-procurement portal.
- 4.1.2 All parties will receive the same information, despatched at the same time. This will be led by the Commercial Unit and includes the response to any questions

raised by prospective bidders during the procurement process. All responses are published for all to view.

4.1.3 The Commercial Unit will advise those seeking to procure as to the applicable timescales and the nature of the participation required. The purpose of the Commercial Unit is to facilitate the procurement exercise and requires the participation of those procuring to provide input at all stages including pre procurement, during the procurement process (including evaluation) and in respect of contract management. Sufficient resources must be allocated to enable a prompt process to be progressed.

4.2 Receipt and opening of tenders

4.2.1 Quotes and tenders will be opened in accordance with the closing date / time provided in the instructions. This will include mini-competition exercises under existing frameworks where applicable.

4.2.2 E-tenders will be locked within the e-procurement system prior to opening. For paper tenders submitted, they will remain in the custody of the Deputy Head of Legal Services (Head of Commercial Unit) for tenders up to £150,000 in value and the Chief Executive (or a person nominated by them) for tender exercises exceeding £150,000 in value until the time appointed for opening. Upon receipt of a paper tender the receiving officer must indicate on the envelope the date and time of its receipt.

4.2.3 Tenders received after the date and time indicated for the receipt of tenders will not normally be considered except with the agreement of the Chief Executive following advice from the Chief Legal Officer and Deputy Head of Legal Services (Head of Commercial Unit).

4.2.4 The e-procurement system is fully auditable with all submissions (including tenders) released by the click of a button. It is not necessary for that process to be observed nor require designated persons be responsible. In the case of paper submissions where the estimated value of the contract exceeds £150,000, these will be opened at one time and in the presence of the Chief Executive (or their representative) and logged accordingly. Paper submissions below that value will be opened in the presence of the Deputy Head of Legal Services (Head of Commercial Unit) and logged.

4.3 Errors

4.3.1 Tender documents must state how errors will be dealt with. All tenderers in the same procurement exercise must be treated in a consistent manner in relation to errors. Tenderers should not be permitted to amend error(s) in their submission. The authority may do so where they are minor genuine error(s) and only where the input of the tenderer is not required (eg typographical error that is obviously and easily corrected). Any amendment that is not a simple genuine error and / or requires input from the supplier will not be permitted.

4.4 Evaluation Process

4.4.1 Evaluation is the process of assessing bids received against the published award criteria to determine the successful supplier. Evaluation must follow the published

criteria.

- 4.4.2 The Commercial Unit will resolve the identity of the evaluation panel. This must comprise at least two evaluators who have sufficient knowledge and understanding of the subject matter to enable meaningful evaluation. A member of the Commercial Unit will act as advisor or moderator as appropriate.
- 4.4.3 Financial aspects will be evaluated separately to technical specification and be led by the Commercial Unit with Finance input as appropriate.
- 4.4.4 Detailed notes of the evaluation process must be maintained. Records must contain sufficient information to provide a detailed understanding of the evaluation process to facilitate scoring as well as full and detailed debrief information.
- 4.4.5 Evaluation panel members are required to confirm accurate recording of the scores and comments before the process is concluded.

4.5 Award Decisions and Approvals

- 4.5.1 At the conclusion of the evaluation process the Most Advantageous Tender will have been identified. A full and detailed record of the evaluation process, scores and reasons will be maintained.
- 4.5.2 A summary of the outcome must be prepared and sent to the relevant Budget Holder and Head of Department (copied to evaluation panel members) who will be responsible for formally approving the award.

4.6 Supplier Notifications, Standstill Period & Contract Notices.

- 4.6.1 The notification of the outcome of a quotation for contracts below £50,000 will be administered either by email or the e-procurement portal.
- 4.5.2 The notification of the outcome of a tender exercise will be via the e-procurement portal. Where paper tenders are used arrangements will be made as appropriate to notify. Tenderers (successful and unsuccessful) will be notified will be notified on the same date along with details of their evaluation scores. The Commercial Unit will maintain template letters for that purpose.
- 4.5.3 Evidence of the insurance cover held must be confirmed prior to the award of contract.
- 4.5.4 In the event the exercise is below UK threshold, steps will be taken to conclude arrangements with the supplier via a written agreement. The terms will be as set out in the request for quotation or invitation to tender. Save for minor amendments only that does not impact the outcome, post tender negotiations on terms and conditions will not be permitted as per the instructions in the invitation to tender.
- 4.5.5 For contracts above UK threshold or where a voluntary standstill period is exercised, contracts will not be entered into until the expiry of the standstill period. The supplier is required to enter into a contract in the format set out in the invitation to tender. Save for minor amendments only that does not impact the

outcome, post tender negotiations on terms and conditions will not be permitted as per the instructions in the invitation to tender.

4.7 Contract Execution (Thresholds/Approval)

- 4.7.1 Contracts between the value of £10,000 and £150,000 may be signed by the Chief Legal Officer or the Chief Finance Officer (Constabulary).
- 4.7.2 Contracts over the value of £150,000 will be signed (or signed and sealed) by the Chief Executive or Chief Finance Officer (OPCC).
- 4.7.3 In respect of extensions or variations, the above signing rules will apply according to aggregate value and not simply based on the value of the variation or extension.

5 CONTRACT MANAGEMENT

5.1 Overview

- 5.1.1 The Procurement Act 2023 imposes more stringed requirements in relation to contract management that mean proactive ongoing management of a contract is more important than ever.
- 5.1.2 Contracts with a value of £5m or more must have a suitable set of KPI's against which performance must be monitored and compliance notices issued. This is a mandatory legal requirement.
- 5.1.3 In addition, legislation requires contracting authorities to report in relation to poor performance. This is not only a legal requirement in relation to contracts over threshold, it is important in ensuring compliance with the contract, quality service and achievement of best value. It is the responsibility of the nominated internal contact for a contract to ensure regular ongoing contract management and liaison with the supplier and to raise any issues with the Commercial Unit.

5.2 Performance Management

- 5.2.1 At the conclusion of a procurement exercise, the contract will be handed over to the internal contact with any appropriate guidance around contract management. This may include a contract handover pack.
- 5.2.2. The Commercial Unit may lead or provide assistance with contract management on request and / or where appropriate depending on the nature of the contract and / or complexity.
- 5.2.3 Where meetings or communication with suppliers take place in respect of contract management these should be fully documented to ensure an adequate audit trail. This is particularly important where performance may be at issue.
- 5.2.4 Any issues around performance and contract management must be raised with the Commercial Unit at the earliest opportunity.

5.3 Contract Modification

- 5.3.1 Where a contract modification is being considered, the advice of the Commercial Unit must be sought in all cases. Modifications are not appropriate where the modification is brought about by the poor performance or breach of contract by the supplier.
- 5.3.2 In seeking advice from the Commercial Unit, those proposing will ensure there is adequate budget in place to accommodate the variation.
- 5.3.3 For the avoidance of doubt, an extension provided for in the original contract is not a modification for the purpose of this section. If there is no provision within the contract terms and conditions for the contract to be extended or the contract has already been extended to its full extent, advice must be taken from the Deputy Head of Legal Services (Head of Commercial Unit) and the approval of any proposed extension must have the approval of the Chief Legal Officer and the Commissioner. A risk assessment will be required.
- 5.3.4 Contracts may only be modified where :-
- a) there are grounds to do so under Schedule 8 Section 74 of the Procurement Act 2023. The relevant conditions must be followed in each respect along with any appropriate risk assessment.
 - b) The modification is not substantial as defined in section 74(3) of the Procurement Act 2023
 - c) It is a below threshold modification for the purpose of section 74(4) of the Procurement Act 2023
- 5.3.5 Suitable terms to document the modification must be agreed with the supplier and any required notices published.

5.4 Termination

- 5.4.1 In the event it is proposed that a contract will be terminated other than by expiry, the advice of the Commercial Unit must be obtained. The decision to terminate for a statutory ground or material breach under the Procurement Act 2023 will require the approval of the Chief Legal Officer on the advice of the Deputy Head of Legal Services (Head of Commercial Unit).
- 5.4.2 Appropriate notices will be issued on the termination (including via expiry) of all contracts above UK threshold and as otherwise required by the Procurement Act 2023.

5.5 Publication

(Notices are dealt with in other sections)

- 5.5.1 The Commissioner will publish details of all spend above £500 (with appropriate redactions approved by the Deputy Head of Legal Services (Head of Commercial Unit) monthly.
- 5.5.2 Contract details (including, where appropriate, a copy of the contract – redacted

as necessary) will be published for all contracts over £10,000 in value in line with the Commissioner's statutory obligations.

5.5.3 The default presumption will be one of transparency. This means publishing as much information as is appropriate. Information will not be published where that is necessary for the purpose of protecting national security or the information is sensitive commercial information and there is an overriding public interest in it being withheld from publication or other disclosure. Budget Holders and those participating in procurement exercises on their behalf are required to consider whether any information ought to be withheld from publication and notify the Commercial Unit for consideration.

5.5.4 Where information is withheld any appropriate notifications under the Procurement Act 2023 will be provided by the Commercial Unit.

6 OTHER PROCUREMENT CONSIDERATIONS

6.1 Waivers & Exemption Approvals

6.1.1 Any waiver or exemption must be granted in advance. It is not possible to grant approval retrospectively. Where a waiver or exemption has not been approved in advance the matter is regarded as a breach and notified to the Chief Executive of the OPCC.

6.1.2 The application of a waiver or exemption does not exempt from statutory requirements under the Procurement Act 2023 in relation to the issue of relevant notices, records and reporting requirements.

6.1.3 Applications for an exemption from the rules set out above (ie to permit direct award) must be submitted in writing using the exemption application form available from the Commercial Unit. Exemptions can only be applied with the prior approval of the following:-

- a) Between the value of £10,000 and £150,000, the Deputy Head of Legal Services (Head of Commercial Unit).
- b) Over the value of £150,000, the Chief Executive or Chief Finance Officer of the OPCC under the advice of the Deputy Head of Legal Services (Head of Commercial Unit) and the Chief Legal Officer.

6.1.4 Exemptions may be applied for in the following circumstances:-

- a) The purchase of goods, services or works required to be compatible with an existing asset.

This must be intended as an extension to or partial replacement of existing goods or services where a change would result in goods or services that are different or incompatible with the existing goods and services. The difference or incompatibility must result in disproportionate technical difficulties in operation or maintenance.

- b) The purchase of any goods, services or works are strictly necessary for reasons of extreme and unavoidable urgency (ie an emergency) to preserve assets or enable services to be maintained such that a competitive tendering procedure cannot take place.

Urgency will not, be law, be considered unavoidable if it:-

- i. Is attributable to any act or omission of the contracting authority and
 - ii. Could have been foreseen by the contracting authority.
- c) The purchase of goods, services or works where the provider is the sole supplier of the goods, services or works.

This exemption must mean the supplier is the only supplier rather than preferred or perceived to be the best.

The exemption may only be granted where they are the only supplier AND there is a reason why a specific product / service is required. This means there must be an absence of competition for technical grounds and only a specific supplier can supply (or a particular supplier holds the intellectual property or other exclusive rights) and there are no reasonable alternatives.

- d) The contract concerns the production of a prototype or other novel goods and services for the purpose of testing, researching the viability of producing or supplying the goods or services at scale and developing them for that purpose or other research, experiment, study or development.
- e) The contract will ensure advantageous terms due to the fact a supplier, whether or not to whom the contract is to be awarded, is undergoing insolvency proceedings.

6.1.5 Any exemption for a reason other than cited at 6.1.4 above will require the approval of the Commissioner. Where applying such an exemption could contravene legislation, the Chief Legal Officer must be consulted.

6.1.6 The Commercial Unit will maintain a register and copies of all exemptions granted for audit and compliance purposes.

6.2 Collaborative Procurements

6.2.1 These Contract Standing Orders shall apply to any procurement where quotations or tenders are invited by the Police and Crime Commissioner on behalf of police forces, emergency services and other public bodies and any partnership, consortium, association or similar body of which the Police and Crime Commissioner is a member.

6.2.2 Where the Police and Crime Commissioner is to contract on behalf of a collaboration or other partnership, consortium or association, It is the responsibility of the Budget Holder to ensure that appropriate agreements are in

place to provide financial, legal and other risks are appropriately covered with suitable indemnities provided before commencing the procurement process. It is not the function of the procurement process to check and / or put in place arrangements in this respect.

6.3 Purchase Cards

- 6.3.1 Government Purchase Cards (GPC) may be used in accordance with any Guidance / Policy issued by the Chief Finance Officer (Constabulary).
- 6.3.2 The use of GPC cards is not covered in Contract Standing Orders and is monitored by the Chief Finance Officer. However, GPC cards are not permitted to be used as a means of circumventing Contract Standing Orders. The thresholds in Contract Standing Orders refer to aggregate values, this means repeat purchases under the £10,000 threshold requiring referral to the Commercial Unit may in aggregate exceed that amount. It is the responsibility of GPC card holders to take advice as appropriate and ensure they do not place the organisation at risk by repeat direct purchases with a supplier that breaches Contract Standing Orders.

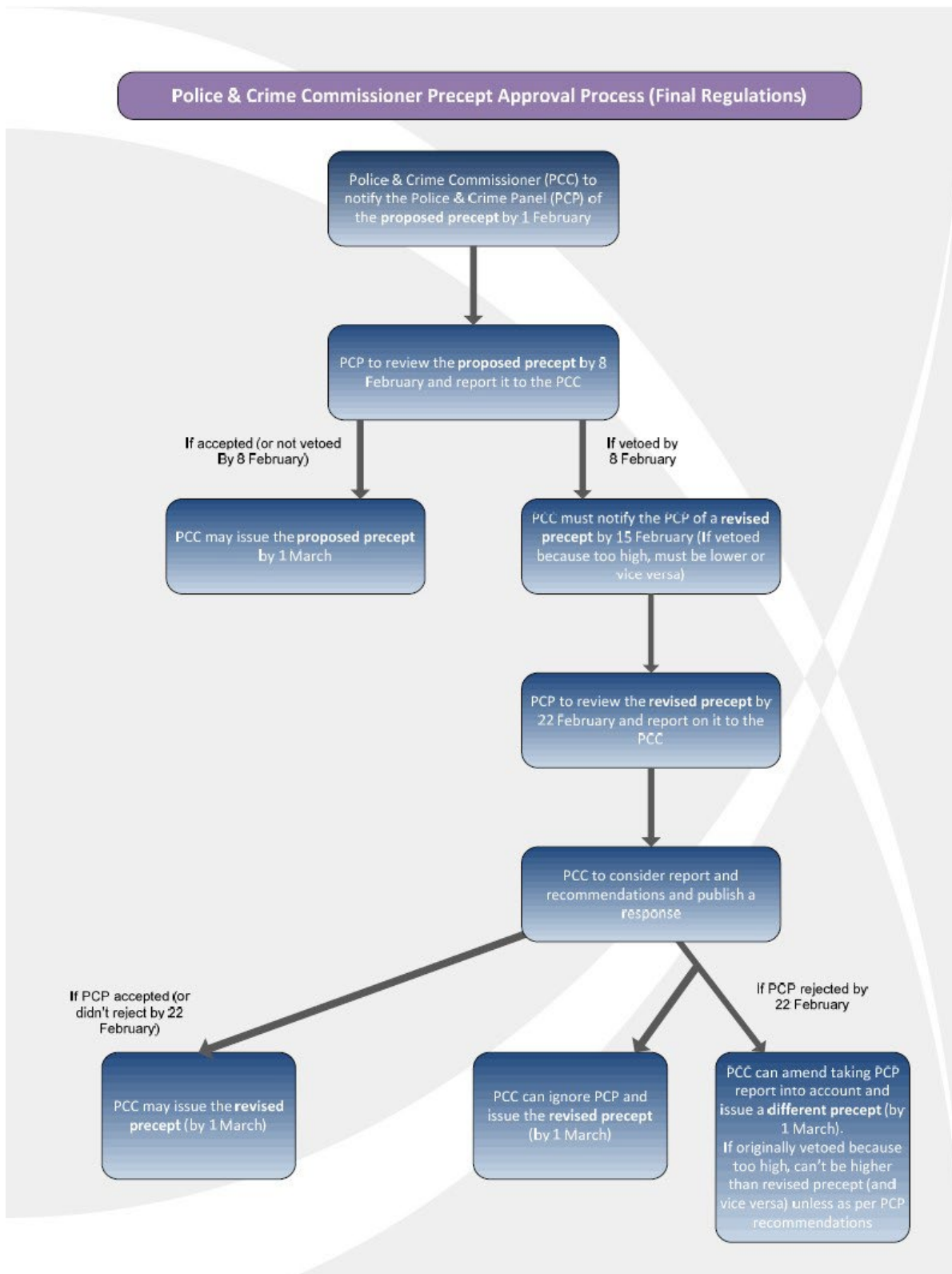
6.4 Disposal of Goods & Assets

- 6.4.1 Contract Standing Orders concerns the procurement of goods, services and works. Specialist advice should be taken from the Chief Finance Officer and Chief Legal Officer concerning the disposal of assets including property. The most suitable means of disposal should be selected and approval obtained. This may include public auction or a competitive exercise inviting bids. Consideration will be paid to the risk involved in disposal of assets including any sale of goods legislation and safety/ certification.

6.5 Grants

- 6.5.1 Grants generally fall outside procurement legislation. However, where grant funding is received by the Commissioner and used to procure goods, services or works the normal public procurement regime applies.
- 6.5.2 Grants may not be used to circumvent the requirements of the procurement process. Grants are generally made to benefit a section of the public, applied for a particular purpose with any monies remaining to be returned to the funder. Whilst monies can be provided via grant for specific purposes, they may not be directed and controlled in the same manner as via a contract. If a grant is awarded where a procurement exercise and contract would have been appropriate this may be challenged under procurement legislation as an unlawful direct award. Advice should be taken from the Deputy Head of Legal Services (Head of Commercial Unit) where there is any doubt about whether a grant is truly a grant or a contract for services.

APPENDIX 1



GLOSSARY

Budget Managers

Officers to whom revenue budget responsibility is delegated are responsible and accountable for the management and control of the budgets allocated to them in compliance with these financial regulations. Budget Managers are responsible for ensuring that expenditure and income are correctly coded to the appropriate budget heading. They are responsible for monitoring expenditure and income and are required to take appropriate action in the event of any variation occurring, or expected to occur, in the expenditure and income relating to activities under their control.

Capital Scheme Managers

Officers to whom management of schemes in the capital programme is delegated will be referred to in these Financial Regulations as Capital Scheme Managers. They will have the same responsibilities as Budget Managers in respect of managing expenditure and income, in so far as these relate to the capital schemes and associated cost centres, under their control in compliance with these financial regulations.

Carry Forwards

This refers to the transfer of resources between accounting years.

Chief Constable

This is the officer appointed under section 11 of the Police Act 1996.

Chief Executive of the Office of the Police and Crime Commissioner for Cheshire

The Commissioner is required to appoint a Chief Executive under Section 6(1)(a) of the Police Reform and Social Responsibility Act 2011. The designated “Monitoring Officer” under the Local Government and Housing Act 1989.

Chief Finance Officer (OPCC) / Chief Finance Officer (Constabulary)

The Commissioner and Chief Constable are required to appoint a Chief Finance Officer under the Police Reform and Social Responsibility Act 2011. These are the officers with overall responsibility for the administration of the Commissioner’s and Constabulary’s financial affairs, as set out in section 112 of the Local Government Finance Act 1988 and referred to as the Section 151 Officers.

CIPFA

The Chartered Institute of Public Finance and Accountancy – www.cipfa.org.uk

Compact Agreement

Central Government requires all public bodies to develop and deliver a local Compact Agreement with the Voluntary, Community and Faith (VCFS) sector, which sets out the ways in which both parties will work together. This recognises the importance of the VCFS sector in terms of service provision, value to the economy, positive impact on well-being and quality of life, and promotion of volunteering and good citizenship. This is an agreement between the Voluntary, Community and Faith Sector and the Public Sector in Cheshire to improve the ways in which we work together. It sets out a

framework for better working relationships through shared principles, undertakings and actions. There are four central principles that underpin compact working, known as PACT principles: Proportionality; Accountability; Consistency and Transparency.

Consistency

The concept that the way an item of expenditure of income is accounted for in one month is accounted for in the same way in subsequent months.

Contingent Liability

A contingent liability is either:

- (a) a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Commissioner's control, or
- (b) a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

Depreciation

The measure of the cost or re-valued amount of the benefits of the assets that have been consumed during the period. Consumption includes the wearing out, using up or other reduction in the useful life of a fixed asset whether arising from use, passage of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

Investments

A long term investment is an investment that is intended to be held for use on a continuing basis in the activities of the Commissioner. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment. Investments that do not meet the above are classified as current assets.

Impairment

A reduction in the value of a fixed asset below the amount shown on the balance sheet.

Monitoring Officer

The Monitoring Officer is responsible for warning the Commissioner of actual or potential illegality or maladministration arising from their decisions or proposals. The statutory duties arise from the Police Act 1996 in its application of Section 5 of the Local Government and Housing Act 1989, as amended.

Partnership

The financial regulations refer to those statutory partnerships where we are required to work towards objectives with other bodies, pooling resources.

Police and Crime Commissioner

The Police and Crime Commissioner is the elected representative as established in accordance with the Police Reform and Social Responsibility Act 2011.

Prudence

The concept that revenue is not anticipated but is recognised only when realised in the

form either of cash or of other assets the ultimate cash realisation of which can be assessed with reasonable certainty.

Revaluation

An increase or decrease in the value of an asset shown on the balance sheet to reflect its current value.

The Constabulary

This refers to all those working for the Chief Constable. It covers both police officers and staff appointed under section 15 of the Police Act 1996 (excluding those who fall under section 15.3 who are not under the control and direction of the Chief Constable).

Virement

This refers to the transfer of resources from one budget head to another.



Cheshire
Constabulary

CHIEF CONSTABLE'S
SCHEME OF FINANCIAL
DELEGATION

CONSTABULARY SCHEME OF FINANCIAL DELEGATION

Introduction

A Scheme of Consent which has been approved by the Commissioner sets out the extent to which the Chief Constable is authorised to make decisions about finance and resources. This Scheme of Financial Delegation sets out how authority is delegated to officers and staff under the direction and control of the Chief Constable. Where the consent of the Commissioner and/or his staff is required, this is made clear. Where a decision is required and it is unclear whether or not it falls within the Scheme of Delegation, the advice of the Chief Finance Officer (Constabulary) and/or Chief Legal Officer should be sought and considered.

All officers and staff are responsible for ensuring day to day financial management is carried out in accordance with the Scheme of Financial Delegation.

All delegated responsibilities are subject to adherence to the Commissioner's and Chief Constables agreed policies, including Financial Regulations and relevant legislation.

All the following arrangements are subject to separation of duties, wherever possible. For example, an officer ordering goods or services cannot authorise the invoice or issue a credit note in relation to that order.

Unless explicitly stated to the contrary, decisions not delegated by the Chief Constable may be exercised by the Deputy Chief Constable in the event of the Chief Constable not being available to make a decision within an appropriate timescale. No powers delegated in this Scheme of Delegation may be further sub-delegated, except in cases of real emergency on a temporary basis with the consent of the Chief Constable having consulted the Commissioner or in their absence the Chief Executive.

The Scheme of Financial Delegation will be updated and maintained from time to time as necessary with a full review annually. The Constabulary's Chief Finance Officer, in consultation with the Chief Legal Officer and the Commissioner's Chief Finance Officer, is responsible for maintaining this document and for coordinating and obtaining approval to changes.

Contact Details

If you have any comments, updates or require changes, please contact

Chief Legal Officer, Chief Finance Officer (Constabulary) or Chief People Officer

January 2026

SECTION 1 – REVENUE AND CAPITAL BUDGETS

The budget for both revenue and capital is approved by the Commissioner which is then assigned to individual Budget Managers who are responsible for its delivery. This section looks at how changes to these budgets can be made and who can approve the changes. NB: Any material policy change or impact on agreed service delivery with unbudgeted financial implications or which needs additional funding will require the Commissioner's approval.

Making Changes to the Revenue Budget			
Activity	Limit	Approver	Alternative Approver
Moving budget within a manager's own section	None	Budget Manager	Chief Finance Officer (Constabulary)
Moving budget to another section	Up to £150,000	All Budget Managers involved with agreement from the SCT (Business Meeting)	None
	Over £150,000	All affected Budget Managers involved with initial agreement from the SCT (Business Meeting) prior to approval from the Chief Finance Officer (OPCC)	The Commissioner
Requesting additional budget funded from reserves outside of the approved Reserve Strategy	All	All affected Budget Managers with initial agreement from the SCT (Business Meeting) prior to approval from the Commissioner	None
Authorise budget journals	All	Chief Accountant / Senior Accountant	Chief Finance Officer (Constabulary)
Using unexpected income, underspends (both capital and revenue) including carry forwards			
Activity	Limit	Approver	Alternative Approver
Deciding on how to spend unexpected income, underspends on capital and revenue including requests for carry Forward (excluding police pay)	up to 1% of Depts budget or £50,000 max, whichever is the higher	Chief Finance Officer (Constabulary) and report to SCT (Business)	Above stated limits, the Commissioner
Making Changes to the Capital Budget			
Activity	Limit	Approver	Alternative Approver
Making a bid for a capital scheme. <i>You should complete the capital bid form for submission to Change Board prior to the SCT (Business Meeting). If a large scheme, a business case will be required.</i>	Up to £150,000 fully funded, no future year commitments	Requests submitted to the SCT (Business Meeting) for initial agreement prior to approval by Chief Finance Officer (OPCC)	None
	Over £150,000 / unfunded / with future year commitments	Requests submitted to the SCT (Business Meeting) for initial agreement prior to approval by the Commissioner	None

<i>Either: Moving capital budget from one scheme to another or Moving revenue budget into a capital scheme</i>	Up to £150,000 and fully funded	Requests submitted to the SCT (Business Meeting) for initial agreement prior to approval by the Chief Finance Officer (OPCC)	None
	Over £150,000 or unfunded	Requests submitted to the SCT (Business Meeting) for initial agreement prior to approval by the Commissioner	None
Replacement of damaged assets, funded by insurance	All	Budget/Capital scheme manager in consultation with the Chief Finance Officer (Constabulary)	None
Leasing or renting land, buildings accommodation, room hire etc.			
Activity	Limit	Approver	Alternative Approver
Leasing/renting land, buildings, accommodation either as landlord or tenant. Licences, room hire etc.	Room hire (non continuous) within approved budget	Budget Manager	Chief Accountant
	Licences or other arrangements under which no interest in property/land is created or Arrangements for Covert Operational purposes	Chief Finance Officer (Constabulary) in consultation with Deputy Head of Legal Services (Head of Commercial Unit) to agree licence/contractual agreement and Head of Estates Operations	Chief Accountant in place of Chief Finance Officer (Constabulary) Chief Legal Officer in place of Deputy Head of Legal Services (Head of Commercial Unit) Estates Project Senior Manager in place of Head of Estates Operations
	Arrangements under which any interest in property/land is created	Chief Finance Officer (Constabulary) to present decision paper to Senior Command Team (Business) for approval, before being presented to Commissioner for approval	Head of Estates Operations in place of Chief Finance Officer (Constabulary)

Moving actual expenditure or income			
Activity	Limit	Approver	Alternative Approver
Moving actual expenditure or income from one code to another	All	Chief Accountant / Senior Accountant with the agreement of the affected budget managers.	Chief Finance Officer (Constabulary)
Creation, maintenance and deletion of accounting codes and structures			
Activity	Limit	Approver	Alternative Approver
Submit instructions to create, amend or delete cost centres, activity codes and associated hierarchies	All	Chief Accountant / Senior Accountant	Chief Finance Officer (Constabulary)
Submit instructions to create, amend or delete subjective codes and associated hierarchies	All	Chief Accountant / Senior Accountant	Chief Finance Officer (Constabulary)

SECTION 2 – BUYING GOODS & SERVICES / MAKING PAYMENTS

Budget Managers are responsible for all purchases within their own budget area. Goods or services may only be purchased for official Commissioner or Constabulary business which has been properly authorised. Budget Manager must ensure adequate separation of duties – which means there should be more than one person involved in the ordering, receipting and payment for goods and services wherever possible. For example, an officer ordering goods or services cannot authorise the invoice or issue a credit note in relation to that order.

Approval of Requisitions on the Finance system			
Activity	Limit	Approver	Alternative Approver
Requisitions should be submitted on-line via the purchasing system wherever possible. Any spend above £10,000 with the same supplier (including aggregated spend) will, in addition to the approver requirements in this table, require approval on Unit 4 from the Commercial Unit. <i>Remember the rule of No Purchase Order No Pay of invoice – please use a purchase order for all items, unless they are an agreed exception</i>	Up to £100	Self-authorisation	None
	£100.01 to £25,000	Budget Manager / Budget Approver (Inspector/ PO 3/4 and above)	Chief Accountant / Senior Accountant
	£25,000.01 to £250,000	Budget Manager / Budget Approver (Superintendent/ SM grades and above)	Chief Accountant / Senior Accountant
	Over £250,000	Chief Accountant / Senior Accountant	Chief Finance Officer (Constabulary)
	£100.01 to £750,000 (Estates items only)	Chief Finance Officer	Chief Accountant / Senior Accountant
Set up on-line catalogues	All	Procurement & Contracts Manager	Deputy Head of Legal Services (Head of Commercial Unit)
Update & maintain on-line catalogues	All	Business Administration Team	None
Signing access agreements to framework arrangements	All	Deputy Head of Legal Services (Head of Commercial Unit)	Chief Legal Officer

Procurement of goods and services through tenders and contracts			
Decision to initiate purchase/ procurement of goods and/or services <i>* High risk items may be small value but high risk of reputational damage should something go wrong, e.g. banking</i>	Less than £10,000 and within approved budget and not a high risk item*	Budget Manager / Capital Scheme Manager	Chief Finance Officer (Constabulary)
	£10,000 - £150,000 (or a high risk item* of any value)	Budget Manager / Capital Scheme Manager with approval of Deputy Head of Legal Services (Head of Commercial Unit)	Chief Finance Officer (Constabulary) in place of the Deputy Head of Legal Services (Head of Commercial Unit)
	Over £150,000	Commissioner on advice of either Chief Finance Officer (OPCC) or Chief Finance Officer (Constabulary)	Deputy Head of Legal Services (Head of Commercial Unit) or Chief Legal Officer in place of Chief Finance Officer (Constabulary)
Dispatch & receipt of tenders <i>NB E-tenders will be locked in the e-tendering system prior to opening. Paper tenders must remain in the custody of or at the direction of the Chief Executive</i>	All	Deputy Head of Legal Services (Head of Commercial Unit)	Chief Legal Officer
Opening of tenders – paper tenders <i>NB: E-tenders are locked in the e-tendering system until the deadline has passed and will be accessed and reviewed by staff in the Commercial Unit. The system is fully auditable, therefore observation is not required.</i>	Up to £150,000	A member of the Commercial Unit in the presence of Deputy Head of Legal Services (Head of Commercial Unit)	Chief Legal Officer in place of Deputy Head of Legal Services (Head of Commercial Unit)
	Over £150,000	Chief Executive or his representative with Deputy Head of Legal Services (Head of Commercial Unit)	Chief Legal Officer in place of Deputy Head of Legal Services (Head of Commercial Unit)
Award of contract (within budget)	Up to £150,000	Budget Manager / Capital Scheme Manager in conjunction with Deputy Head of Legal Services (Head of Commercial Unit)	Chief Legal Officer

<i>NB: all contracts are in the Commissioner's name</i>	Over £150,000 or high risk items	Budget Manager / Capital Scheme Manager in conjunction with Deputy Head of Legal Services (Head of Commercial Unit), must be signed by Chief Executive or his representative	Chief Legal Officer
Award of contract (more than budget) <i>NB: all contracts are in the Commissioner's name</i>	All	The Commissioner	None
Signing of contracts (including variations and extensions) <i>NB: all signed contracts must be recorded in the signing register.</i>	Up to £150,000	Chief Legal Officer or Chief Finance Officer (Constabulary)	Chief Constable or Deputy Chief Constable
	Over £150,000	The Commissioner	Chief Executive or Chief Finance Officer (OPCC) or other person designated by Commissioner
Maintain a register of contracts	Above £10,000	Deputy Head of Legal Services (Head of Commercial Unit)	None
Approval of contract modifications	Up to £150,000 (total value including modification)	Deputy Head of Legal Services (Head of Commercial Unit)	Chief Legal Officer
	Above £150,000 (total value including modification)	Chief Executive or Chief Finance Officer (OPCC) on the advice of Deputy Head of Legal Services (Head of Commercial Unit)	Chief Legal Officer in place of Deputy Head of Legal Services (Head of Commercial Unit)
Approval of contract extensions [Type A] is where the terms of the	Type A Contracts up to £150,000	Budget Manager in conjunction with Deputy Head of Legal Services (Head of Commercial Unit)	None

contract provides for an extension [Type B] is where the terms of the contract does not specifically provide for an extension or it has previously been extended up to the maximum period allowed under the terms of the contract	Type A Contracts over £150,000	Chief Finance Officer (OPCC) on the advice of the Deputy Head of Legal Services (Head of Commercial Unit)	Any person nominated by the Chief Executive in place of the Chief Finance Officer (OPCC)
	Type B	The Commissioner on the advice of the Deputy Head of Legal Services (Head of Commercial Unit) and the Chief Legal Officer	None

Authorise payments / claims			
Activity	Limit	Approver	Alternative Approver
External invoices / credit notes / urgent payment requests and foreign currency payments	Specials Expenses Up to £500	Inspector - Citizens in Policing	Inspector / Chief Inspector as nominated by Chief Inspector - Operations
	Up to £25,000	Budget Manager / Budget Approver (of at least Inspector/ PO 3/4 and above)	Chief Accountant / Senior Accountant
	Up to £250,000	Budget Manager / Budget Approver (of at least Superintendent / SM grades and above)	Chief Accountant / Senior Accountant
	Over £250,000	Chief Accountant / Senior Accountant	Chief Finance Officer (Constabulary)
	Up to £750,000 (Estates items only)	Head of Estates Operations	Chief Finance Officer (Constabulary)
<p>Claims for legal costs, damages, civil claims etc.</p> <p><i>Should costs materially exceed budget a request for additional funding must be sought in advance of any payment.</i></p>	<p>Up to £150,000 for damages and/or costs or falls within one of the categories of para. of 5.10.1 of the Scheme of Consent e.g. involves a member of the Command Team/ public interest/ reputational risk/test case etc.</p>	Chief Legal Officer	Deputy Head of Legal Services

	Over £150,000 or if it falls within one of the categories of para. 5.10.1 of the Scheme of Consent e.g. involves a member of the Senior Command Team / public interest / reputational risk/test case etc.	Chief Executive on the advice of the Chief Legal Officer.	Commissioner
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Imprest Accounts			
Activity	Limit	Approver	Alternative Approver
[a] Set up a new Imprest Account [b] Increase or decrease in amount <i>All requests to be submitted to HQ Finance</i>	All	Chief Finance Officer (Constabulary) (cash) / Chief Finance Officer (OPCC) (bank)	Chief Accountant (cash) / None (bank)
Authorise : [a] Imprest claims [b] Cash withdrawals [c] Imprest purchases	All	[a] Administration Services Manager [b] & [c] Administrator (i.e. the named person(s) responsible for the Imprest Account)	None

Constabulary Contingencies			
Activity	Limit	Approver	Alternative Approver
Operational Contingency – to support specific operations	All	Force Operations Manager (reporting to Resource Board)	Deputy Chief Constable
Central Contingency – to support other areas	All	SCT Business	Deputy Chief Constable

SECTION 3 – STAFFING MATTERS

Managers are responsible for providing accurate and appropriate information to enable the calculation and prompt payment of salary, expenses and pensions. This includes details of appointments, promotions, re-grading, resignations, dismissals, retirements and any absences from work. The Duty Management system needs to be maintained at all times to ensure accuracy of records and payments. Managers are responsible for ensuring their proper authorisation in accordance with this Scheme of Delegation.

The financial implications of staffing changes (which include appointments or cessation of employment) not previously approved in setting the annual budget or specifically agreed by the Commissioner, relating to individuals or groups which will (or are likely to) result in a budget cost or saving must be approved by the Commissioner.

The Constabulary has an established governance framework which provides the mechanism by which decisions made in relation to staffing matters will be disseminated. Any decisions made in relation to establishment changes will be reported to the approved governance board.

Changes within the Establishment (Police Officers, PCSOs, Special Constables, Police Staff) / Recruitment / Pay etc.			
Activity	Limit	Approver	Alternative Approver
Approve [a] Force establishment [b] Growth post (unbudgeted) [c] Deletion of a post	-	Chief Constable with guidance from the SCT (Business Meeting), to recommend to the Commissioner for Approval This is with the exception of changes to the approved Establishment which: <ul style="list-style-type: none"> • are below senior management grade; and • have no duration beyond the current financial year; and • are not within the budget or other approval of the Commissioner but where the cost may be met from within existing budgets; and • which support the Commissioner’s objectives. Such changes may be approved by the Chief Constable subject to the approval of cost by the Commissioner’s Chief Executive	None
Recruitment of police officers (within approved establishment)	Up to and including Chief Superintendent	Deputy Chief Constable	Chief Constable
	ACC & DCC	Chief Constable after consulting with the Commissioner	None

	Chief Constable	The Commissioner	None
Recruitment & appointment of police staff (within approved establishment)	Up to PO5/6	Chief People Officer	Head of Resourcing and Talent Management
	SM Grades	Chief People Officer, in consultation with the Deputy Chief Constable for Heads of Department.	Chief Constable
Approve recruitment plans within approved establishment for: - Police Officers - Specials - Transferees / rejoiners - PCSOs - Force Control Centre (operators)	Constable to Chief Inspector, PCSO and Force Control Centre (operator)	Chief People Officer	Deputy Chief Constable
	Superintendent to Chief Superintendents	Deputy Chief Constable	Chief Constable
Approve Promotion Process and substantive postings of successful officers	Sergeant to Inspector	Deputy Chief Constable	Chief People Officer
	Chief Inspector to Chief Superintendent	Chief Constable	Deputy Chief Constable
Agree initial and lateral postings of Police Officers (within budget)	Police Constable	Head of Resourcing and Talent Management	Chief People Officer
	Sergeant to Inspector	Head of Resourcing and Talent Management	Chief People Officer
	Chief Inspector to Chief Superintendent	Chief Constable (in consultation with Senior Command Team)	Deputy Chief Constable (in consultation with Senior Command Team)
Approve acting and temporary promotion (within budget)	Sergeant to Inspector	Head of Resourcing and Talent Management (in consultation with budget manager)	Chief People Officer
	Chief Inspector to Superintendent	Deputy Chief Constable	Chief Constable
	Chief Superintendent to Assistant Chief Constable	Chief Constable	None

Transfer of police officers into the Force	Constables to Inspector	Deputy Chief Constable	None
	Chief Inspector to Chief Superintendent	Chief Constable	None
Secondment in or out of the Force (police officers and staff)	All	Deputy Chief Constable Subject to annual reporting to the Commissioner	Chief People Officer
Movement of post within the agreed policing model (within approved establishment)	All	Responsible Senior Command Team member	Chief People Officer
Movement of officer posts as part of an approved organisational change programme (e.g. PBB)	All	Deputy Chief Constable	Chief Constable
In year changes to existing posts (<i>i.e. use the deletion of an existing post to fund a new post without changing the overall establishment</i>) and the annual approval of the policing model	All	Chief People Officer and Chief Finance Officer (Constabulary) with approval via the People Tracker Meeting	Head of Resourcing & Talent Management / Chief Accountant with approval via the People Tracker Meeting
Re-grade of police staff post	Up to PO5/6	Head of Resourcing & Talent Management subject to Hay Panel evaluation	Chief People Officer
	SM Grades and above	Chief People Officer	Deputy Chief Constable
Change to individual employment contracts	Up to PO5/6	Head of Employment Services	Chief People Officer
	SM Grades and above	Chief People Officer	Deputy Chief Constable
Authorise overtime to be worked	Up to rank of Sgt Staff grades up to Scale 6 (SCP 24)	Line Manager	Line Manager's Supervisor

	Over the rank of Sgt Staff grades over Scale 6 (SCP 24)	Head of Employment Services	Chief People Officer
Authorise police staff honorarium, acting and temporary and accelerated increments (within approved budget)	In line with Police Staff Council Handbook	Chief People Officer	Head of Employment Services
Authorise police officer bonus payments	Up to rank of Chief Inspector	Chief People Officer	Head of Employment Services
Authorise Annual / Flexi Leave	Rostered Staff	Resource Management Unit in consultation with Line Manager	Line Manager / Budget Manager
	Non Rostered Staff	Line Manager	Line Manager's Supervisor
Authorise sickness, injury or special leave via DMS	All	Line Manager	Line Manager's Supervisor
Authorise payment to Special Constables injured on duty	All	The Commissioner	Chief Executive
Authorise extension to sick pay	All	Deputy Chief Constable	Chief Constable
Authorise appeals in relation to extension of sick pay	All	Chief Constable if new evidence provided	None
Authorise redundancies	All staff grades	Chief Constable in consultation with Chief Executive prior to the redundancy being confirmed	Deputy Chief Constable in consultation with the Chief Executive
Authorise voluntary severances of staff which are in the interests of the efficiency of the service and where costs are within budget	All staff grades up to but not including Chief Officers (staff)	Chief People Officer	Deputy Chief Constable
	Chief Officers (staff)	Chief Constable	Deputy Chief Constable
Authorise career break	Police Officers	Head of Resourcing & Talent Management	Chief People Officer
Authorise early retirements	All staff grades	Deputy Chief Constable with quarterly reporting to the Commissioners Chief Executive	The Commissioner (and specifically for Senior Command Team)
Award of Additional Pension – Regulation 31	Max amount as set in Regulation 31	Business case submitted to Deputy Chief Constable for onward approval by the Chief Executive	Chief Constable

Authorise ill health retirements	Up to Senior Command Team	Deputy Chief Constable with quarterly reporting to the Commissioners Chief Executive	Chief Constable with quarterly reporting to the Commissioner's Chief Executive
	Senior Command Team (excl. CC)	Chief Constable in consultation with the Commissioner	None
	Chief Constable	The Commissioner	None
Authorise retirement / resignation whilst suspended – police officers as permitted by regulations <i>(Police (Conduction) Regulation 2012 as amended by The Police (Conduct) Amendment Regulations 2015 – except for Regulation 4</i>	Constable to Chief Supt	Deputy Chief Constable	Chief Constable
	ACC & DCC	Chief Constable	The Commissioner
	Chief Constable	The Commissioner	None
Authorise misconduct dismissals – police officers	Constable to Chief Supt	Misconduct Panel chaired by ACC or fast-tracked to Chief Constable	None
	ACC & DCC	Chief Constable	None
	Chief Constable	The Commissioner	None
Authorise dismissal of police staff	Up to PO5/6	Chief People Officer	Head of Employment Services
	SM Grades	Chief People Officer	Deputy Chief Constable
Authorise flexible retirement	All staff grades	Chief People Officer	Head of Employment Services
Unsatisfactory Performance Procedure – Stages 1 & 2	Constable to Chief Supt	Line Manager	Chief People Officer & Head of Employment Services
Unsatisfactory Performance Procedure – Stage 3	Constable to Chief Supt	Head of Professional Standards	Chief People Officer
Accept resignations and authorise normal retirements	All	Line Manager in consultation with People Services	Chief People Officer

Provide references to outside Organisations	All	People Services	None
Authorise settlement agreements	In line with Commissioner's Policy	Deputy Chief Constable in consultation with Chief Legal Officer and Chief People Officer	None
	Outside of Commissioner's Policy	Commissioner in consultation with Chief Legal Officer & Chief People Officer	None
Approve internal training plan	-	Head of Police Training	Chief People Officer
Approve external training plan	-	Head of Police Training	Chief People Officer
Authorise On-line expenses claims	All	Claimant – self approval (note that the claim is subject to an audit.	None

Other issues relating to officers and staff			
Activity	Limit	Approver	Alternative Approver
Record & agree business interests	All	Head of Professional Standards	Deputy Chief Constable
Authorise the write-off of salary overpayments after usual debt management procedures have been complied with where appropriate	s up to £10,000 per individual overpayment to a maximum total in year of £50,000	Chief People Officer	Chief Finance Officer (Constabulary)
	Over the above limits	The Commissioner	Chief Finance Officer (OPCC)

SECTION 4 – ASSET MANAGEMENT

Ensuring the care, control and economical use of all assets is the responsibility of each manager who should maintain proper records and appropriate management and security arrangements for all buildings, vehicles, furniture, equipment, plant and other assets in line with the approved Asset Management Strategy.

Managing our assets			
Activity	Limit	Approver	Alternative Approver
Arrange and maintain security of: [a] buildings, vehicles, furniture, equipment etc. [b] cash [c] access to safes etc.	None	Person in charge of / using the asset in conjunction with the Chief Finance Officer	None
Authorise new and changes to existing controlled stationery and forms	None	Chief Finance Officer (Constabulary)	None
Maintain register of controlled stationery and forms	None	Chief Finance Officer (Constabulary)	None
Maintain register of computer equipment & software licences	None	Head of IT & Information Security	None
Maintain inventory of stock in Stores	None	Supplies & Logistics Manager	Head of Facilities Operations
Arrange for annual or cyclical stock-take	None	Head of Facilities Operations	Superintendent (Police Training)
Maintain asset register for formal accounts	None	Chief Accountant / Senior Accountant	Chief Finance Officer (Constabulary)
Arrange for annual valuation of property for formal accounts	None	Chief Accountant / Senior Accountant with Estates	Chief Finance Officer (Constabulary) with Estates
Declare vehicles, equipment etc. as obsolete	Less than £1,000	Head of Fleet Services (vehicles) / Budget Manager (other items), details sent to Finance	None
	£1,001 to £50,000	Head of Fleet Services (vehicles) / Budget Manager (other items), in consultation with Finance	None
	Over £50,000	Chief Finance Officer (Constabulary) (in consultation with Head of Fleet for vehicles)	None
Disposal of assets (excl. land & buildings) to be at value or otherwise approved by Chief Finance Officer (Constabulary)	Vehicles	Head of Fleet Services – details sent to Finance	None
	Computer Equipment	Head of IT Services – details sent to Finance	None
	Other Equipment	Budget Manager in consultation with Finance	None
Disposal of land & buildings to be at value or otherwise approved by Commissioner's Chief Finance Officer	All	The Commissioner (in discussion with Chief Constable)	None

SECTION 5 – BANKING AND INCOME COLLECTION

Banking			
Activity	Limit	Approver	Alternative Approver
Open/close <u>any</u> bank account	All	Chief Finance Officer (OPCC)	Any senior manager nominated by the Commissioner
Authorise the deposit & withdrawal of funds from banks & other institutions	All	Chief Accountant / Senior Accountant	Chief Finance Officer (Constabulary)
Release payments from bank <ul style="list-style-type: none"> ▪ <i>BACs payments must be approved in the payments system prior to release through the payments service bureau</i> ▪ <i>CHAPs/Faster payments must be approved by Finance for treasury management prior to release and Retained HR for salary payments</i> 	All All	General Ledger Assistant Accounts and Purchasing Team Leads	None Accounts and Purchasing Manager
Authorise the creation of covert banking facilities	All	Chief Constable	Deputy Chief Constable
Income Collection			
Activity	Limit	Approver	Alternative Approver
Determine fees and charges for goods and services <i>NB usually detailed in the Fees and Charges Handbook approved annually in advance of April. Some fees are nationally set.</i>	All	Requests submitted to the SCT (Business Meeting) for initial agreement prior to approval by the Commissioner	None
Raise invoices	All	Budget Manager in conjunction with Finance Department	Accountant
Raise credit note	All	Budget Manager in conjunction with Finance Department	Accountant
Receipt cash and bank income	All	The officer or staff member receiving the cash should receipt immediately at the point and time of collection. This should then be banked at the earliest possible time.	
Raise invoices for seconded officers & staff	All	Chief Accountant / Senior Accountant	Chief Finance Officer (Constabulary)

Banking			
Raise invoices for mutual aid	All	Chief Accountant / Senior Accountant	Chief Finance Officer (Constabulary)
Debt Collection			
Activity	Limit	Approver	Alternative Approver
Initiate debt recovery proceedings	All	Chief Legal Officer	Deputy Head of Legal Services (Head of Enforcement Unit)
Authorise the write-off of individual non-pay related debt to be undertaken on a quarterly basis.	Up to £10,000	Chief Finance Officer (Constabulary)	Chief Accountant
	Over £10,000	The Commissioner	Chief Finance Officer (OPCC)
<i>NB: for pay related debt see section 3</i>			

SECTION 6 – COLLABORATIONS, PARTNERSHIPS, JOINT/EXTERNAL FUNDING & SUPPORT TO OTHER ORGANISATIONS

This section covers arrangements under which the Commissioner (and Chief Constable) are involved in initiatives and projects where funding and delivery is on a joint basis with one or more third parties. Such arrangements are distinguished from the procurement of goods and services which may also be undertaken on a joint basis and to which section 2 of this Scheme of Financial Delegation applies. Managers need to be aware of the need to balance innovation and opportunity with wider consideration of stewardship, probity and best value.

Working with other forces and organisations			
Activity	Limit	Approver	Alternative Approver
Approval of collaboration or partnership with another force or organisation Except for operational policing and ancillary services which are: a) supplied or received on a mutual aid basis; or b) supplied as special policing service; or c) local working arrangements with partner agencies the cost of which are within the approved Constabulary budget which may be approved in accordance with the Fees and Charges Handbook or submitted to the SCT (Business Meeting) for approval as appropriate.	All	Requests submitted to the SCT (Business Meeting) for initial agreement prior to approval by the Commissioner	None
Approval of terms and conditions for collaboration	All	The Commissioner (and Chief Constable if the Chief Constable is a party) having received the advice of the Chief Legal Officer on the terms of the Agreement	Deputy Head of Legal Services (Head of Commercial Unit) in place of Chief Legal Officer

Working with other forces and organisations			
Approve creation of joint venture or legal interest in ownership or control of a separate entity	All	The Commissioner	None
Act as guarantor for a third party	None	Chief Finance Officer (OPCC) having received the advice of the Chief Legal Officer	Deputy Head of Legal Services (Head of Commercial Unit) in place of Chief Legal Officer
Maintain register for all third party Guarantees (within the signing register)	None	Chief Finance Officer (OPCC)	None

SECTION 7 – GIFTS, HOSPITALITY AND SPONSORSHIP

The Police, under Section 93 of the Police Act 1996, can accept sponsorship, gifts and hospitality from any source on terms which appear appropriate. Managers should maintain proper records of any such arrangements in accordance with the Constabulary's Gifts, Gratuities & Hospitality Procedure which is held by the Head of Professional Standards. Equally every member of staff wishing to gain permission must declare in writing to their Head of Department or equivalent details of intended Business Interests using the application form as stated in the Business Interests & Additional Occupations Force Procedure.

Gifts, hospitality and sponsorship			
Activity	Limit	Approver	Alternative Approver
Maintain register of all officer and staff acceptance of gifts, gratuities and hospitality	None	Head of Professional Standards – via on-line register	None
Acceptance of gifts, donations and sponsorship on behalf of the organisation.	All	Requests, following the advice of the Chief Legal Officer, submitted to the SCT (Business Meeting) for agreement prior to approval by the Commissioner.	None
Maintain register of all sponsorships	None	Chief Finance Officer (OPCC)	None



**Cheshire
Police & Crime
Commissioner**



**Cheshire
Constabulary**

CHAPTER 6 MEMORANDUM OF UNDERSTANDING

January 2026

Memorandum of Understanding

Police & Crime Commissioner for Cheshire and the Chief Constable for Cheshire

1. Introduction

- 1.1. The Police Reform and Social Responsibility Act 2011 (the 2011 Act) and the Policing Protocol Order 2023 set out the respective roles and responsibilities of the Police & Crime Commissioner (“the Commissioner”) and the Chief Constable. The principal activity of the Commissioner is to be responsible for the totality of policing, including setting strategic direction, and holding the Chief Constable to account for delivery of effective and efficient policing within the policing area. The Commissioner also has other responsibilities and obligations in respect of wider criminal justice and community safety matters which are outside the scope of this Memorandum of Understanding (MOU).
- 1.2. The principal activity of the Chief Constable is the delivery of effective and efficient policing. He is responsible for ensuring that the Constabulary is able to deliver its obligations under the Strategic Policing Requirement. In matters of operational independence, he is answerable to the law, and his position is constitutionally established. The Chief Constable is charged with exercising the power of direction and control of officers and staff employed by him in such a way as is reasonable to assist the Commissioner to exercise his functions. The Commissioner requires additional services to supplement his core office of staff (“the OPCC”) which the Chief Constable agrees to provide pursuant to his obligations of assistance and in furtherance of the Commissioner’s and Chief Constable’s joint vision of working together in partnership without compromising the Commissioner’s powers and duty to hold the Chief Constable to account for the performance of the Constabulary’s officers and staff.
- 1.3. The Commissioner and the Chief Constable will adopt and implement the following principles with regard to the provision of support services:
 - 1.3.1. That despite their legally distinct identities and their differing roles and responsibilities it is appropriate for the Commissioner and the Chief Constable to work together by way of joint endeavour in order to improve outcomes for local people as set out in the Commissioner’s Police and Crime Plan.
 - 1.3.2. The need for effective and efficient arrangements for the provision of all forms of support services to both the Commissioner and the Chief Constable, which would best support them and their respective statutory offices in the discharge of their obligations.
 - 1.3.3. The need to balance the requirement for effectiveness and efficiency in provision of business support against a need to put in place arrangements which represent best value for money.
 - 1.3.4. The desirability where possible to avoid duplication of functions within the offices of the Commissioner and the Chief Constable.
- 1.4. The MOU is a statement of intent between the parties to work in partnership and to define an effective working relationship between the Commissioner and the Chief Constable, and in particular how those who work for the Chief Constable will support the Commissioner and the OPCC in relation to professional, transactional and business support and other services as set out in this MOU.
- 1.5. The purpose of this MOU is to define the role of the parties, and the expectations of how services will be provided. It is not the intention of the Commissioner or the Chief Constable to create legal relations nor enforceable legal rights or liabilities in respect of the arrangements contained within this MOU.
- 1.6. In this MOU, the following expressions have the following meanings:

"MOU"	This Memorandum of Understanding
"the Support Services"	The support provided by the Chief Constable and those employed by him to the Commissioner under the terms of this MOU and set out in detail in the Schedule
"Date of Commencement"	6 th May 2015 (date when agreement starts)
"Confidential Information"	Any and all information, whether in writing or otherwise, that is disclosed by any party before, on or after the commencement date including, but not limited to, financial information, marketing data, procedures, business plans, lists of funders, personnel data, business relationships, current products, services and anticipated products and services and financial information concerning the disclosing party's business and all disclosures, howsoever made to the other party, in connection with this MOU.
"Scheme of Governance"	The framework setting out the terms on which the respective functions of the Commissioner and the Chief Constable will be exercised, identifying those powers and the manner in which they may be exercised by the parties' staff which includes the Scheme of Consent/ Delegation and Financial Regulations.

17. The headings in this MOU are for ease of reference only.
18. In this MOU, the singular shall mean the plural and vice versa.

2. Status of the Parties and the Support Services

21. The relationship between the parties is that of independent organisations, as each party is a separate corporation sole. This MOU is made between each corporation sole and is designed to record how each party intends to exercise their statutory functions, in particular under section 2 of the 2011 Act in relation to the Chief Constable. Nothing in this MOU shall create or be deemed to create a partnership or agency, franchise, or employment between the parties.
22. The Chief Constable will provide to the Commissioner sufficient, timely, continuing support services to allow the Commissioner and the OPCC to function and carry out their duties and achieve their priorities to a timescale either specified at the time such services are requested/ commissioned, or if not specifically notified, to a timescale that they consider reasonable. The Support Services will be delivered to such a standard by appropriately trained and/or qualified staff/ officers of the Chief Constable as would reasonably be expected to enable the OPCC to operate as required by the Commissioner.
23. The Commissioner will make reasonable efforts to ensure that requests for the Support Services are made clearly and sufficiently in advance to allow adequate time to provide an effective service.
24. The Support Services to be provided are those professional, transactional and support and administrative services reasonably required by the Commissioner or staff within the OPCC on the Commissioner's behalf within the competencies of the following Departments/ units of the Constabulary as set out in the Schedule. Any additional services or changes to the Schedule may be agreed by the Commissioner and Chief Constable or the Commissioner's Chief Executive and the Deputy Chief Constable.
25. Notwithstanding the obligation of the Chief Constable to provide the Support Services to the Commissioner, the Commissioner may seek the provision of such services from a third party/ parties. The Commissioner and the Chief Constable anticipate that this would occur in the event that either the relevant skills were not available "in house" or there was an isolated piece of work where a conflict of interest appeared to arise. The use of external services under this provision would be in isolated cases.
26. No fee is payable from one party to another in remuneration for any services provided within the scope of this MOU. The Support Services will be provided from the approved budgetary provision allocated by the Commissioner to the Chief Constable.
27. All assets (i.e. all land and buildings, vehicles, equipment and IT systems) have been retained by the Commissioner. However it is recognised that the Chief Constable, his officers and staff require the use, as necessary, of such assets in furtherance of their obligations under this MOU and in order to carry out their general responsibilities under the 2011 Act and all other common law and statutory provisions in relation to the provision of policing services. The Commissioner therefore grants the Chief Constable, his officers and staff licence (revocable at his discretion) to use such assets as he considers necessary to enable them to discharge their obligations/responsibilities in this regard.

3. Sharing of Information

31. The Commissioner and the Chief Constable will share information where appropriate to fulfil the purposes of this MOU subject to any conditions imposed by the party providing the information in respect of such disclosure. The Commissioner and the Chief Constable shall endeavour to ensure compliance with Data Protection legislation through proper application of the governance arrangements contemplated in this MOU.

32. For the purposes of the Data Protection Act 2018 the Commissioner and the Chief Constable remain the data controller for any personal information recorded (in whatever format) on any information system under their respective control.
33. For the purposes of the Freedom of Information Act 2000 (FOI), if either the Commissioner or the Chief Constable should receive a FOI request, then the Commissioner or the Chief Constable as appropriate would be responsible for responding to that request and with any subsequent compliance arrangements required under FOI. However, as one of the Services under this MOU, the Chief Constable's staff/ officers will provide support to the Commissioner to enable him to carry out his FOI functions. Any FOI requests received by either the Commissioner or the Chief Constable which relate to or touch upon the subject matter of this MOU or any matters arising from it would be brought to the attention of the other party as soon as practicable, and where necessary the Commissioner and the Chief Constable will provide reasonable assistance to the other in order to facilitate a timely and compliant response to the FOI request or any subsequent compliance requirement.
34. Both parties agree that, during the term of this MOU, or at any time thereafter, neither they nor any of their officers, staff, agents (including volunteer staff), or sub-contractors, shall divulge, furnish, or make accessible to anyone any confidential information unless:
 - 3.4.1. at the date of this MOU, the confidential information is already in the public domain or subsequently comes into the public domain through no fault of the other party;
 - 3.4.2. the confidential information rightfully becomes available to the other party from sources not bound by obligations of confidentiality;
 - 3.4.3. the confidential information was available to the other party on a non-confidential basis prior to its disclosure to such party;
 - 3.4.4. the other party is required by compulsion of law to disclose.
35. The parties agree that all discussions and negotiations shall be carried out on a strictly confidential basis and any statements (either written or oral) to be made in relation to the existence of the negotiations between the parties shall be subject always to written agreement by both parties and the overarching provisions of the Scheme of Governance.
36. The disclosure of confidential information is a matter for discussion between the Commissioner and the Chief Constable.
37. Any limitation or waiver of the right of confidentiality contemplated in the provisions paragraph of this MOU applies only to the relationship between the Commissioner and the Chief Constable and all staff/ officers will remain subject to an obligation of confidentiality in respect of third parties.
38. Nothing in this MOU should prevent any staff/ officers employed either by the Commissioner or the Chief Constable from disclosing information which they are entitled to disclose under the Public Interest Disclosure Act 1998 or under any other enactment provided that such disclosures are made in accordance with provisions of that Act or other enactment.

4. Governance

41. The Chief Constable will at all times retain direction and control over officers and those staff employed by him.
42. The Commissioner's Chief Executive will at all times retain managerial authority and operational control in respect of the staff within the Commissioner's employment.
43. Both the Commissioner and the Chief Constable retain the discretion to task and direct their staff/ officers as they, in their absolute discretion, see fit.
44. The Commissioner will ensure that the Chief Constable is kept informed of the departments/ staff/ officers being utilised to deliver the Support Services to enable him to satisfy his duties as employer of relevant staff (including relevant responsibility in terms of direction and control as

well as responsibility for line management).

45. In providing services to the Commissioner, it is accepted by the Chief Constable and Heads of Support Services that there will be a requirement to keep the Commissioner's legitimately conducted affairs confidential from third parties including, in some matters, the Chief Constable and his/her staff. The Commissioner accepts that there will be the same duty of confidentiality owed by the Support Services to the Chief Constable and his/her staff.
46. Any conflict of interest (potential or actual) which may affect the Support Services acting for the Commissioner and/or Chief Constable will be communicated at the earliest opportunity, and the Chief Executive and Head of Service will discuss the matter and agree a way forward. Where it is agreed that the Support Services may provide services to either the Commissioner or Chief Constable but not both, then the standing presumption (which may be rebutted, circumstances permitting) will be that it represents the Chief Constable. In such a situation the Support Services may, where appropriate, assist the Commissioner to instruct alternative suppliers.
47. If, due to the volume of work required of that team, there is an issue of prioritisation to be resolved, such issues will be referred to the Commissioner's Chief Executive and the Deputy Chief Constable.
48. If the Commissioner has concerns about the conduct or performance of any individuals providing the Support Services to the Commissioner/the OPCC then the Chief Executive (on behalf of the Commissioner) will report those concerns as soon as practicable to the Deputy Chief Constable.
49. Any limitation or waiver of the right of confidentiality contemplated in the provisions paragraph of this MOU applies only to the relationship between the Commissioner and the Chief Constable and all staff/ officers will remain subject to an obligation of confidentiality in respect of third parties.
- 4.10. For the avoidance of doubt, the Commissioner and the Chief Constable agree that when any individuals are engaged in providing services to the Commissioner/ OPCC, such an arrangement does not amount to a secondment of their employment and at all times such individuals remain subject to ordinary supervisory and management arrangements.
- 4.11. Subject to the restrictions in the Scheme of Consent/ Delegation this MOU shall not fetter the discretion of the Chief Constable to make such alterations to his staffing resources which may impact upon the provision of the Support Services as he may from time to time see fit including the reorganisation of functions or the deletion of posts. However, before making any such alterations the Chief Constable will consider whether it is appropriate to consult the Commissioner.

5. Dispute Resolution

- 5.1. A dispute concerning the provision of the Support Services (including the timeliness of their provision), which cannot be resolved between the staff concerned of the Commissioner and the Chief Constable shall be settled by the Commissioner's Chief Executive and Deputy Chief Constable.
- 5.2. A dispute that cannot be resolved between the Chief Executive and the Deputy Chief Constable will be escalated to the Commissioner and Chief Constable.

6. Review and Termination

- 6.1. This MOU will commence on the Commencement Date and will remain in force unless terminated or reviewed in accordance with this section.
- 6.2. This MOU may be terminated forthwith by agreement of both parties.
- 6.3. Within twelve months of the Commencement date of the MOU, and thereafter annually, the parties will undertake a review of the Support Services provided and of the MOU to ensure that

the MOU remains fit for purpose.

- 64. Notwithstanding 6.3 the Commissioner may review (and then change) the nature and extent of any of the Support Services at any time if he concludes, in his absolute discretion, that it is appropriate to do so. If a change is proposed, then this may result in a change in the budget allocated to the Chief Constable. The Commissioner shall give the Chief Constable reasonable notice of any such changes, and in any event a minimum of **three** months, so that the Chief Constable may be able to take appropriate management action to accommodate the change.
- 65. Any notice given under this MOU by either party must be in writing and may be delivered personally or sent by e-mail. Notice will be deemed to have been given on the same day.

Signed by, (for and on behalf of) the Police & Crime Commissioner

Name Position
.....

Signature Date
.....

Signed by, (for and on behalf of) the Chief Constable

Name Position
.....

Signature Date
.....

SCHEDULE

Description of the Support Services.

Support provided by the Departments/ officers/ staff listed below will include the following activities and any other support tasks which the Commissioner considers are incidental and/ or ancillary to those outlined.

Estates

The provision of services by individuals within the Estates Department to enable the Commissioner to effectively and efficiently manage the land and premises and other fixed assets remaining in the Commissioner's ownership/control, including office services, asset and facilities management, estate management (including identifying savings, environmental issues, maintenance and improvements); project management (including the delivery of capital and revenue funded works) and the management of any contractual arrangements associated with these activities.

Information Technology

The provision of services by individuals within the IT Department to enable the Commissioner to effectively and efficiently manage and operate those ICT resources (including all IT and telephony/ communications equipment and software) in the Commissioner's ownership/control to ensure they assist him in carrying out his functions and meet his objectives including reviewing the sufficiency and adequacy of such resources to ensure they remain fit for purpose.

Information Management

The provision of information management services to enable the Commissioner to effectively and efficiently manage and store data/information and records remaining in the Commissioner's ownership/control, including the provision of administrative support and advice to enable the Commissioner to meet his obligations under the Freedom of Information/ Data Protection Acts.

Commercial Unit (Legal Services)

The provision of specialist legal and procurement services by individuals within the Commercial Unit to enable the Commissioner to effectively and efficiently manage his objectives and obligations under relevant procurement rules/ legislation and implement his Procurement & Commissioning Strategy, in relation to the procurement, management, and termination of contracts to which he is a party. Services also include advice, drafting and support in relation to licenses, leases, property disposal and acquisition, information sharing, media access, collaborations, grants and miscellaneous contractual arrangements.

Planning & Performance Management

The provision of services (including the provision of data the Commissioner reasonably requires relating to the operational and organisational performance of the Constabulary) by individuals involved in the planning and performance management and research and intelligence activity within the Constabulary to enable the Commissioner to effectively and efficiently manage his objectives and functions under the Police Reform and Social Responsibility Act 2011 (including that of holding the Chief Constable to account).

The provision of services and advice to enable the Commissioner to effectively and efficiently manage his functions and objectives in relation to the identification and management of corporate risk and health and safety issues including the responsibility for individual statutory named posts.

People Services

The provision of services (including professional human resources/ personnel advice) from individuals within the People Services Department to enable the Commissioner to effectively and efficiently manage the functions and objectives of his role, including workforce/budget setting, review, monitoring, and planning as an employer of individual staff and transactional services in reference to payroll.

Legal Services

The provision of legal services (including professional legal advice) from individuals within the Legal Services Department (or external sources engaged and managed by such individuals such as counsel or external legal providers) to enable the Commissioner to effectively and efficiently manage the functions and objectives of his role, and in particular to ensure that his interests are furthered and/or protected and actions and decisions remain within the law and available legal powers. The list of specialist legal services includes but is not limited to litigation, employment, operational matters, debt recovery, and governance.

It is acknowledged that staff of the Legal Services Department must act at all times in accordance with:

- a) their written and implied duties as employees of the Chief Constable; and
- b) the rules of their regulatory associations, primarily the Solicitors Regulatory Authority (Code of Conduct) and the CILEX Regulation.

The Commissioner may, irrespective of whether or not a conflict of interest exists, instruct alternative legal services to the Legal Services Department in which event he will notify the Chief Legal Officer at the earliest opportunity.

Finance

The provision of financial services, including but not limited to payments and income, and treasury advice services (including professional financial/ accounting advice) from individuals within the Finance Department to enable the Commissioner (and the Commissioner's Chief Finance Officer on his behalf) to effectively and efficiently manage the functions and objectives of their role, the financial resources of the OPCC and the Constabulary. This includes the preparation, management and monitoring of revenue and capital budgets, treasury management advisory activities. Further, it includes other support including advice and support relating to compliance with accounting and audit requirements, investments, pensions/ payroll management/ administration so as to ensure that his actions and decisions result in the proper stewardship of available resources, and expenditure which is lawful and in compliance with all relevant statutory and non-statutory requirements including the Scheme of Governance, Financial Regulations and the Financial Management Code of Practice.

Corporate Communications

The provision of communications and engagement services to enable the Commissioner to effectively and efficiently manage his functions and objectives regarding the provision of information to, and effective engagement/ consultation with, the public and other stakeholders, including the design and production of media and effective use of relevant media formats/ methods and web based/ on line/ mobile data resources.

Professional Standards

The provision of support from police officers and police staff within the Professional Standards

Department to enable the Commissioner to effectively and efficiently manage his functions and objectives regarding the management/ handling of complaints against police officers/ staff.

Fleet Services

The provision of fleet services generally as required by the OPCC including but not limited to use of pool cars, fuel cards; and access to motor insurance cover.

Other

Other support, advisory and delivery services required by the Commissioner from time to time from all other functions provided to the Chief Constable and funded by the budget allocated by the Commissioner including project support; diversity and equalities advice, partnerships, and specialisms within the Constabulary (e.g. child protection, domestic violence).

Joint Management Board Forward Plan - 2025/26

Date of Meeting	Room	Report Title	Part 2 Report	Cyclical Item	Lead Officer
02 July 2025	OPCC Meeting Room	Provisional Financial Position Outturn 2024/25	No	Annual	Chief Finance Officer (Con)
		Treasury Management Outturn 2024/25	No	Annual	Chief Finance Officer (Con)
		Utilisation of POCA Funding in 2024/25	No	Annual	Chief Finance Officer (OPCC)
		Internal Audit Plan 2025/26	No	Annual	Chief Finance Officer (OPCC)
		Strategic Risk Register	No	Quarterly	Chief Constable
		MOU NCA Fleet	No	No	Chief Constable
06 August 2025	OPCC Meeting Room	Financial Position 2025/26: First Quarter Review	No	Quarterly	Chief Finance Officer (Con)
10 September 2025	OPCC Meeting Room	Strategic Risk Register	No	Annual	Chief Legal Officer
01 October 2025	OPCC Meeting Room	Modern Slavery Transparency Statement - 2025 Update	Yes	Quarterly	Deputy Chief Constable
05 November 2025	OPCC Meeting Room	Financial Position Report 2025/26: Mid Year Review	No	Quarterly	Chief Finance Officer (Con)
		Treasury Management 2025/26: Mid Year Review	No	Quarterly	Chief Finance Officer (Con)
		Medium-Term Financial Strategy - Mid Year Review	No	Half-yearly	Chief Finance Officer (Con)
		Strategic Risk Register	No	Quarterly	Chief Finance Officer (Con)
		Estates Strategy			
		Environmental Strategy			
		IT & Digital Strategy			
People Strategy					
Procurement Strategy					
03 December 2025	-	Cancelled			
14 January 2026	-	Cancelled			

28 January 2026	HQ / Teams	Treasury Management Strategy 2025/26 Medium Term Financial Strategy 2026-2031 2026/27 Budget & Council Tax Precept Fees & Charges Handbook 2026 Strategic Risk Register AI Paper Financial Position 2025/26: Third Quarter Review Review of the Scheme of Corporate Governance	No No No No Yes tbc No No	Annual Annual Annual Annual Quarterly No Quarterly Yes	Chief Finance Officer (Con) Chief Finance Officer (Con) Chief Finance Officer (Con) Chief Finance Officer (Con) Deputy Chief Constable ACC Chief Finance Officer (Con) Chief Executive
04 March 2026	RTH	Fleet Strategy	tbc	No	ACC
1 April 2026	Teams				
06 May 2026	HQ				
03 June 2026	RTH	Strategic Risk Register Strategic Policing Requirement			
01 July 2026	Teams				
05 August 2026	HQ				

TO BE CONFIRMED
<ul style="list-style-type: none"> • Asset Management Strategy • S22a Collaboration Agreement - MET Assurance & Testing



JOINT MANAGEMENT BOARD

DECISION NO. 2026/01

DATE: 28 January 2026

ESTATES STRATEGY UPDATE - Sale of Winsford New Police Station

Executive Summary:

Terms for the disposal of Winsford New Police Station were approved at the Joint Management Board on 4 December 2024 (Decision No. 2024/32).

A survey of the building prior to purchase has revealed some areas for remediation and the purchaser Cheshire Fire and Rescue Service (CFRS) has asked to negotiate on sale price.

Recommendation:

- 1) That a new sale price is set for the disposal of Winsford New Police Station to reflect survey finding and CFRS request.

I have reached the following decision:

Approval of the recommendations.

My rationale for this decision is:

- 1) The approval of the new sale price will allow the sale (and release of funds) to proceed without further delay.
- 2) The sale is to a public sector partner who has agreed to cover two out of the three items that have come up at survey.
- 3) The sale price negotiation is proportionate to the survey finding.

Signature

Date 28 January 2026

Police & Crime Commissioner

Signature

Date 28 January 2026

Deputy Chief Constable

PART 1 - NON-CONFIDENTIAL FACTS AND ADVICE

Introduction and background

1. In December 2024, the Joint Management Board agreed the sale of Winsford New Police Station on the terms set out in Part 2 of that report.
2. The sale is now in the final stages of going through but the purchasing organisation Cheshire Fire and Rescue Service (CFRS) have challenged a few issues that have come up on their survey. Given the age of the building, the survey findings are explicable, and CFRS has agreed to cover the cost of two of the three items. However, they have asked that the third be covered by a negotiation in the sale price.

Financial Comments

3. The sale of the former police station still remains value for money and releases capital funding for use elsewhere across the estate.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.

Is there a Part 2 form – Yes

The information is confidential and not for publication because the report contains restricted information relating to Section 22, Information intended for future publication (public interest test) and Section 43, Commercial Interests of the Freedom of Information Act 2000

Contact Officer: Graham Gibson (Head of Estates Operations)

Tel. No.: 01606 364623

Email: graham.gibson@cheshire.police.uk

CHIEF OFFICER DECLARATION (Chief Finance Officer Constabulary – Bill Malloy):

I have reviewed the proposal and I am satisfied it is correct, all relevant internal checks have been undertaken and it is an appropriate request to be submitted to the Police & Crime Commissioner.

Signature *Bill Malloy*

Date: 21 January 2026

CHIEF EXECUTIVE DECLARATION (Damon Taylor):

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the presentation of this report. I am satisfied that this is an appropriate request to be submitted to the Police & Crime Commissioner.

Signature

Damon Taylor

Date: 21 January 2026



AI Enablement Programme – Report for noting

DECISION NO. 2026/08

DATE: 28 JANUARY 2026

AI Enablement Programme

Executive Summary:

The AI Enablement Programme, launched in October 2025, aims to modernise Cheshire Constabulary through responsible AI adoption—driving efficiency, improving data management, and enhancing victim support while upholding ethics and public trust.

Recommendations:

1. That progress on the AI Enablement Programme be noted

We have reached the following decision:

To approve the recommendation.

Our rationale for this decision is:

Aligning with the Police and Crime Plan, the AI Enablement programme allows for:

- The embrace technology and innovation to ensure the service is well-equipped to deal with current and emerging threats
- Driving efficiencies and investigative capacity by using technology such as AI and data analytics
- Exploiting innovative new ways of working to maximise intelligence led policing, so police are present when and where they are needed most

Signature

Date 28 January 2026

Police & Crime Commissioner

Signature

Date 28 January 2026

Deputy Chief Constable

PART 1 – NON-CONFIDENTIAL FACTS AND ADVICE

INTRODUCTION AND BACKGROUND

1. The purpose of this report is to provide the Commissioner with a progress update on the AI Enablement Programme.
2. Full details of the AI Enablement Programme and subsequent estimated Financial Forecast Report are attached as Appendices in Part 2 of this paper.

FINANCIAL COMMENTS

3. Financial forecasts are detailed in Part 2 of this paper.

LEGAL COMMENTS

4. There are no specific legal comments associated with the report.

EQUALITY COMMENTS

5. There are no specific equality comments associated with the report.

BACKGROUND DOCUMENTS

Document Titles
<i>None</i>

<p>Public access to information <i>Information in this form is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.</i></p>
<p>Is there a Part 2 form – YES</p> <p><i>If yes, for what reason: the report contains restricted information relating to Law Enforcement, section 31 and Commercial Interest, section 43 of the Freedom of Information Act 2000.</i></p>
<p>Contact Officer: <i>Susan Watkins, Project Manager</i></p> <p>Email: <i>susan.watkins@cheshire.police.uk</i></p>

<p>CHIEF OFFICER DECLARATION (Assistant Chief Constable – Bill Dutton):</p> <p><i>I have reviewed the proposal and I am satisfied it is correct, all relevant internal checks have been undertaken and it is an appropriate request to be submitted to the Police & Crime Commissioner.</i></p> <p>Signature <i>Bill Dutton</i> Date 22/01/2025</p>
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Cheshire
Constabulary



Dan Price
Cheshire
Police & Crime
Commissioner

JOINT MANAGEMENT BOARD

DECISION NO. 2026/09

DATE: 28 JANUARY 2026

STRATEGIC RISK REGISTER

Executive Summary:

The Strategic Risk Register is presented for consideration and approval.

Recommendation:

- (1) Risk SR-Joint 1.6 (WAN Installation / Transition Delay) has been escalated to the Joint Strategic Risk Register.
- (2) The overall score for SR-Constabulary 2.2 (Data Quality in Shared Niche Platform) has been increased from 16 to 20.
- (3) A new risk has been added in part 3 (OPCC Risks) of the Joint Strategic Risk Register in relation to the removal of Police and Crime Commissioners and reforms to the governance of policing. The risk has not yet been fully mapped and scored.

We have reached the following decision:

Approval of the recommendations.

Our rationale for this decision is:

To ensure that the effective management of strategic risk supports the delivery of high-quality policing services.

Signature

Date 28 January 2026

Police & Crime Commissioner

Signature

Date 28 January 2026

Deputy Chief Constable

PART 1 – NON-CONFIDENTIAL FACTS AND ADVICE

INTRODUCTION AND BACKGROUND

1. The Strategic Risk Register documents all risks that the Constabulary and Office of Police & Crime Commissioner have identified as having the potential to prevent either organisation from achieving the strategic objectives.
2. The Strategic Risk Register is attached at Appendix 1 in Part 2 of this report.

ISSUES FOR CONSIDERATION

3. Consultation has been undertaken with risk owners/action owners of existing risks and the Senior Command/Executive Teams.
4. The Strategic Risk Register dated October 2025 was approved at Joint Management Board 5th November 2025.
5. The impact assessments/implications/risks are detailed for each risk on the Strategic Risk Register.

Impact assessments/implications/risks

6. The impact of ineffective management/mitigation of risk is detailed within the risk register.

OPTIONS

7. The mitigating actions for each risk are detailed within the Strategic Risk Register.

FINANCIAL COMMENTS

8. Any financial implications where known have been detailed as part of the risk.

LEGAL COMMENTS

9. Any legal implications where known have been detailed but would be considered at the time if the probability of the risk increased.

EQUALITY COMMENTS

10. Any equality issues will be dealt with as they arise.

BACKGROUND DOCUMENTS

Document Titles
<i>None</i>

Public access to information

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Is there a Part 2 form - Yes

The information is confidential and not for publication because it involves the likely disclosure of exempt information as defined in the Freedom of Information Act 2000 and in accordance with the Section 31 Law Enforcement & Section 43 Commercial Interest.

Contact Officer: Daniel Gillett (Inspection and Assurance Manager)

Tel. No.: 01606 365924 Email: daniel.gillett@cheshire.police.uk

CHIEF OFFICER DECLARATION (Head of Planning and Performance - Paul Woods):

I have reviewed the proposal and I am satisfied it is correct, all relevant internal checks have been undertaken and it is an appropriate request to be submitted to the Police & Crime Commissioner.

Signature *Paul Woods*

Date 28 January 2026

CHIEF EXECUTIVE DECLARATION (Damon Taylor):

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the presentation of this report. I am satisfied that this is an appropriate request to be submitted to the Police & Crime Commissioner.

Signature



Date 28 January 2026