



COMMUNITY JUSTICE SECURITY

DECISION RECORD

Decision Record Number 89

This document records a decision taken by the Police and Crime Commissioner, together with details of the advice he received prior to taking the decision.

Decision taken

The Police and Crime Commissioner has taken the decision to:

In conjunction with all PCCs, to provide a guarantee from PCC's reserves to underwrite The Police ICT Company in its role as a contracting authority for major technology programmes. The guarantee to be capped at £53,500 only payable in extenuating circumstances.

Details of advice taken

Professional financial and legal advice has been sought to ensure the decision best supports business need and represents value for money.

Stephen Mold
Police and Crime Commissioner
19/12/2018

END



COMMUNITY JUSTICE SECURITY

Northamptonshire Police and Crime Commission Supporting Report to the Police and Crime Commissioner

Date of Report	19/12/2018
Subject	The Police ICT Company
Report Author	Paul Bullen

1. Purpose of Report

- 1.1 The purpose of this report is to set out the benefits of the providing reserves to underwrite the work of The Police ICT Company.

2. Decision(s) Recommended:

- 2.1 Approve proposals to provide a guarantee from PCC's reserves to underwrite The Police ICT Company in its role as a contracting authority for major technology programmes.

3. Relevant background / Chronology of Key Events:

- 3.1 At the APCC Annual General Meeting on 18th July 2018, PCCs accepted and approved proposals to provide a guarantee from PCCs' reserves to underwrite the Company's role as a contracting authority for major technology programmes. It was agreed that the amount set aside by each PCC should be based on the Net Budget Requirement for each force, as this best reflects the financial status of each force.
- 3.2 The commitment that is being asked of each PCC is based on a collective guarantee of £5m with each PCC guarantee based on Net Budget Requirement as agreed at the APCC AGM.
- 3.3 The scope of the guarantee and the agreement that PCCs will honour their commitment to provide the required funds only in the unlikely event that:
- Police force subscribers to contracts negotiated and entered into by the Company on behalf of police forces fail to settle invoices from the Company within payment terms, and
 - The Company has insufficient reserves to cover suppliers' invoices, and
 - As a result, the Company is unable to meet its financial obligations.
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4. Consultation:

4.1 This has been a discussion amongst PCCs and at the Police ICT Board

5. Compliance Issues:

5.1 Is this a decision of 'significant public interest?'

5.1.1 This could be a decision of public interest, if the risk is realised and the funding is required.

5.2 Is the recommended decision consistent with the priorities set out in the Northamptonshire Police and Crime Plan 2014/17?

5.2.1 The Plan refers to digital innovation and technological developments which this supports.

5.3 What are the financial and procurement implications of this decision?

5.3.1 The level of reserves for Northamptonshire to underwrite the work of The Police ICT Company is £53,000.

5.4 Will further decisions be required?

5.4.1 None envisaged at this stage

5.5 Legal Implications

5.5.1 Legal have been consulted and have provided the following advice:

'Under its terms, the PCC would be guaranteeing up to £53,500 to cover, in effect, defaults by other police forces (where Police ICT does not have sufficient funds to cover the default) in relation to contracts entered into by Police ICT for those police forces. For example, if for some reason the Met was late in paying its invoices to a supplier under a Police ICT contract, the PCC is promising to pay up to £53,500 towards payment of those outstanding sums.

There is nothing in this letter enabling the PCC to recover such sums from the defaulting force nor to ensure that the Police ICT seeks proportionate contribution from each of the other PCCs. However, the sum is capped at £53,500 (although it could be made clearer that this is an aggregate/total cap).'

5.6 Risk Management

5.6.1 The risk will only materialise in the unlikely event that subscribers to the contracts fail to pay their invoices within the payment terms set out. Most subscribers are police forces and Company members and CFOs have already agreed to become actively involved where there are delays. Having this guarantee in place will help to satisfy potential suppliers of the financial stability of the Company while it grows and builds its own reserves. A suitable and common approach to accounting for the guarantee will be agreed with CFOs through PACCTS.

5.7 Has an Equality Impact Assessment been undertaken?

5.7.1 N/A

6. Evaluation of alternative option(s):

The PCC could choose not to agree to this. However the Police ICT company is designed to drive efficiencies across force areas.

7. List of background reports used to compile this report:

N/A

8. List of appendices accompanying this report (if any):

N/A

9. Approvals

Date

Has this report been approved by the author's line manager?

Has this report been approved by the Chief Executive?