

**Force Resources Scrutiny Meeting**  
**Thursday 21 May 2015**  
**09:00am, Conference Room, Hoffmanns Way**

Nick Alston, Police and Crime Commissioner, OPCC	NA
Lindsay Whitehouse, Deputy Police and Crime Commissioner, OPCC	LW
Charles Garbett, Treasurer, OPCC	CG
Carly Fry, Assistant Director of Performance and Scrutiny, OPCC	CF
Abbey Gough, Financial Analysis and Scrutiny Officer, OPCC	AG
Jan Klimkowski, Communications Manager, OPCC	JK
Debbie Martin, Chief Finance Officer, EP	DM
Richard Jones, Management Accounting and Insurance Manager, EP	RJ
Sam Milbank, Evolve Finance Lead, EP	SM
Derek Benson, Deputy Chief Constable, EP	DB
Mark Gilmartin, Director of Shared Services, EP	MG
John Gorton, Head of Transport, EP	MG
Jules Donald, Interim Head of IT, EP	ID
Amanda Humphries, Joint Heath Services Manager, EP	AM
Karen King, Procurement Contract Manager, EP	KK

	Item	Action	Owner	Date for Completion
1.	<p><b>Apologies</b></p> <p>Candace Bloomfield, Head of Procurement, EP</p> <p><b>Matters arising</b></p> <p>MG highlighted that a breakdown of FCR costs had been sent to the previous Resources Scrutiny meeting and that the main cost pressure was on the revenue element of the project.</p>			
2.	<p><b>Notes of previous Resources Scrutiny Meeting</b></p> <p>Minutes agreed</p>			
3.	<p><b>Monthly Force Finance Performance Reports:</b></p> <p>DM reported that the provisional outturn report indicated a £2.1m overspend, this increased from month 11 (£1.7m) due to the number of ill health retirements and legal fees that the force was unable to recover. DM said that further work would be undertaken with Kevin Kirby to forecast ill health pension costs month on month.</p> <p>MG noted that that Kevin Kirby has been working on the enhancement on injury awards and has contested a number of cases which has lowered the cost to EP. MG said that the sooner a case can be referred to an independent medical professional then the sooner the case can be resolved. The number of ill health retirements in 2014/15 was higher than in 2013/14 resulting in a cost increase from approx. £600k to £1.1m and 10 cases to 17 cases respectively.</p> <p>MG said that ill health pensions were regulated and there was case law which is applied. DB said that there was a charge applied to police forces by the Home Office of two times the salary of the officer awarded an ill health pension. MG noted that some posts are suitable for Limited Duties, however as the size of the force reduces then fitter officers will be required.</p>			

<p>NA queried whether case law which was established in a previous era required refreshing. MG said that the force must ensure that limited duties are applied fairly and consistently.</p> <p>The DCC noted that legal services tried to obtain a bond through the courts, however the courts refused to apply this.</p> <p>DM highlighted the carry forward request related to expenditure which wasn't spent in 2014/15, but the requirement will exist in 2015/16. RJ confirmed that the legal costs regarding DVPO had come in lower than anticipated and that this was expected to be the case for 2015/16.</p> <p>NA asked that the OPCC look in detail at the redundancy provision over the next five years, which areas of the business they are coming from and how that reflects in the MTFS and the Target Operating Model (TOM). NA said that it was important that a balance is struck between fairness and principles. MG noted that the Terms and Conditions review had looked at the multipliers and the link to local employment trends and that a final meeting would be held in June to discuss the Terms and Conditions; MG explained that this was later than intended due to discussions with unions. During this meeting there were 19 potential options for change which would be raised.</p> <p>CG noted that police officer pay was below average in the year whilst police officer overtime was above average, DM advised that this was due to the two murder investigations in 2014/15. NA asked if it can be benchmarked against other forces with overtime as a percentage of police pay and allowances. MG said that this was in the HMIC Value for Money indicators and that EP was not an outlier in this category.</p> <p>DB noted that some collaboration costs were matched off against the income line. MG noted that HMIC would be undertaking a periodic review of Essex/Kent collaboration arrangement this year.</p> <p>NA highlighted that the capital spend had not met the target during the year, whilst the monies remain with EP, with the potential to borrow in the future capital forecasting and planning needs to be accurate due to additional revenue implications. NA noted that he would like to understand EP position on investment</p>	<p>NA to write letter regarding court bond</p> <p>MG to meet with CF and take her through the five year forecast for:</p> <p>MTFS, TOM, redundancy provision and principles underlying redundancy decisions, terms and conditions review before COMG decision is made, and the age profile of the force.</p> <p>MG to provide more information on HMIC VfM</p> <p>MG to provide PCC with a paper on: position if investment is increased; position on key invest to save projects; the direct link between investment</p>	<p>NA</p> <p>MG</p> <p>MG</p> <p>MG</p>	<p>July 2015</p> <p>June 2015</p> <p>June 2015</p>
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	<p>in key infrastructure, and on pay for specialist staff, given the problems with recruitment and retention in areas such as procurement and IT.</p> <p>DM noted that the Southend Custody project had been moved from 2014/15 to 2015/16. MG noted that there was slippage on a number of projects however most projects were not able to be completed in one financial year.</p> <p>The recent Strategic Capital Board reviewed projects for 2015/16 and some were approved with a green light whilst other required further details and were given amber light, a total of £9.6m was approved. LW asked whether further revisions could be made to the capital forecast throughout the year. MG said that capital projections from the project managers was that the projects would be delivered in year and spend would be incurred. MG noted in particular that IT project managers were over confident that projects would be delivered.</p>	<p>savings and efficiency; benchmarking of pay of specialist staff.</p>		
4.	<p><b>Procurement</b></p> <p>JG said that there is currently a mini tender on-going and wanted to engage other forces who were looking at a similar specification. JG said that a consortium would result in greater economies of scale.</p> <p>NA asked whether more management information could be made available on procurement such as benchmarking and the savings generated to EP through the procurement team.</p> <p>MG said that information is available which provides information to EP such as the level of savings the team have achieved as well as public sector comparisons. Procurement team are committed to further collaborative working however need to ensure that the balance is right.</p> <p>NA asked whether a commercial approach could be taken with collaborative contracts. MG said that this wasn't the current approach and that it forces like to be helpful to each other.</p> <p>MG said that there was currently a high attrition rate in procurement and that AH had looked into the salary level of staff. Currently appropriate staff had been</p>	<p>Increased level of management information to be included in the future Procurement report such as benchmarking and savings</p> <p>Salary review to be discussed with Chief</p>	<p>KK</p> <p>NA / DCC</p>	<p>September 2015</p> <p>July 2015</p>

	<p>found however they had not passed the vetting stage. NA said that EP must invest in the professionalism of staff and ensure that we are paying individuals the right salary and how this could fit into the MTFs.</p>	Constable		
5.	<p><b>Transport</b></p> <p>JG said that 500 trial telematics units had been fitted in Southend and the North division (the trial also includes Kent's Eastern Division), with data being returned and analysed. The project is due to finish on in March 2016. MG said that Transport was using a commercial system which was able to provide the necessary capabilities to EP; however we need to ensure that the project can deliver cashable savings in the long term.</p> <p>JG noted the benchmarking report and how EP compared to other forces, JG noted that not all areas could be successfully benchmarked as some forces held data in a different way making like for like comparisons difficult. Additional external benchmarking demonstrated transport Services competitiveness in maintenance and repair</p>			
6.	<p><b>IT</b></p> <p>NA acknowledged the challenge which IT faced within EP and need for continuing development and investment.</p> <p>JD noted that there were several IT projects which were planned over the coming years. JD explained the difficulties with benchmarking against other forces on a like for like basis. The Methods and Mason review noted that staff were broadly located where required however for the complexity of the project they were under resourced. JD said that the £8.9m included the salary and on costs and did not include desk and equipment costs.</p> <p>JD confirmed that the image database was a national initiative which all forces now have to use.</p> <p>It was noted that there was high attrition in the IT department which had been influenced by the higher salary available in London as well as the potential</p>			

	changes to Terms and Conditions and restructuring. NA asked whether the EP recruitment process should be branded locally. MG said that EP was investing in the managerial skills of the IT team.			
7.	<p><b>AOB</b></p> <p>The analysis carried out by the OPCC on the first three quarters of 2014/15 was discussed. MG noted that the projections to year end within the analysis were accurate. Police officer and staff sickness levels were raised and the potential cost of this to EP and whether the new welfare arrangements were working. NA noted that the very small downward trend was welcome however it appears that stress levels have increased and should be reviewed. CF noted that, in 2014/15, the cost of sickness in the constable rank was £8M, the total cost of sickness for officers was £9.1M, and that it was thought that staff sickness had cost £1.5M. MG said that the without the current welfare arrangements the impact would be greater however further discussion was required.</p> <p>CF requested that the Evolve appendix is sent to all future Resources Scrutiny Meetings.</p>	DCC to provide PCC with report on proportions of sickness with particular reference to stress, and the interventions made by EP in 2014/15, and the success of those interventions	DCC	July 2015
8.	<p><b>Date of Next Meeting</b>  Next Resources Scrutiny Meeting  Thursday 18<sup>th</sup> June 9am  Hoffmanns Way</p>			