

Approved by: Mark Gilmartin, Director of Essex & Kent Support Services	Classification of paper: Not Protectively marked
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Report to PCC	Report reference number PCC/0021/13
Date of decision	Area of county/stakeholders affected
Date of report 25 th March 2013	Support Services Directorate
Title of report Establishment of a Support Services Directorate Reserve	
Report by Debbie Martin, Chief Finance Officer of the Chief Constable	
Enquiries to Debbie Martin, Chief Finance Officer of the Chief Constable	

1.0 Purpose of Report

1.1 To seek approval for the setting up of an earmarked reserve.

2.0 Recommendations

2.1 To approve the setting up of an earmarked reserve, namely a Support Services Directorate Reserve, in accordance with Financial Regulations B.10.10.

3.0 Benefits of Proposal

3.1 The reserve will allow the Support Services Directorate Project Team to continue delivering the convergence programme. It will allow significant efficiencies and financial savings to be achieved across both Essex and Kent.

4.0 Background and Proposal

4.1 In November 2010, under the landscape of significant fiscal challenges, the Joint Statutory Committee (JSC) for Essex and Kent Police approved the concept of an integrated Support Services Directorate, considering it to be 'the most effective delivery mechanism for providing efficient and effective

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support services for Kent and Essex'. Work commenced soon after to define the terms of reference for the Directorate, which included the following departments within scope across the two forces: Corporate HR, Corporate Finance, Procurement Services, Transport Services, Estate Services (previously known as Property Services) and Business Services (including the two Business Centres).

- 4.2 The proposal supported both the collaborative work that was already taking place between Essex and Kent Police and the major change programmes in each force (Reform and the New Kent Policing Model/NKPM) initiated as a result of the 2010 Comprehensive Spending Review, and the subsequent requirements to achieve financial savings via significant pay and non-pay budget reductions.
- 4.3 The key driver for a joint Support Services Directorate (SSD) was to save money (with a 3 year target of £6.488 million across the Directorate) while improving the quality and efficiency of 'back office' services delivered to Essex and Kent Police, by redesigning and standardising structures and business processes.
- 4.4 The Director of Support Services was appointed in February 2012 to drive the convergence programme forwards. Further to that, on 27th September 2012, the JSC approved the Section 22 Agreement for the SSD convergence, thereby establishing a legal base for the implementation of the Directorate.
- 4.5 Over the last 3 years some convergence activity has already taken place across the various Support Services departments within each force. However due to a variety of issues including different starting times, different governance structures and organisational inter-dependencies, the current status is mixed in terms of progress, and progress has been somewhat ad hoc, without the benefit of a consistent approach. A high level paper was submitted to the JSC on 5th July 2012 proposing that the successful model employed to establish the Essex and Kent Serious Crime Directorate was adopted. This used a dedicated programme team to deliver a series of work streams that not only create single unified departments but also establish far greater integration across the Directorate. For the Support Services Directorate, the programme team delivery objectives will also include a clear focus on standardised reporting, performance management and quality of customer service – demonstrating an accountable, cost efficient portfolio of services that can be transparently benchmarked against the best public sector and commercial range of services.
- 4.6 The JSC approved the paper recommending the use of a dedicated programme team to establish a fully converged Support Services Directorate, and an equal contribution was agreed by each Police Authority, of a £300,000 contribution from revenue underspend to fund the convergence programme. This gave a total budget of £600,000 to cover convergence activity over a 2

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year period – to resource seconded staff for this team, with funded backfill for the departments impacted by the secondments.

- 4.7 The temporary programme team was subsequently recruited from internal staff and has been in place since December 2012. The team consists of five experienced staff, with an equal mix of Essex and Kent employees.
- 4.8 Expenditure (including staff costs and travel expenses where applicable) is forecast as follows, and includes a small level of contingency if additional resources are required:

2012-13 (Dec – Mar)	2013-14	2014-15
£48,000	£276,000	£276,000

All convergence expenditure will be divided equally between the Essex and Kent Police budgets.

5 Police and Crime Plan

- 5.1 The Police and Crime Plan includes 'Increasing efficiency in policing through collaborative work and innovation' as one of its key areas of focus. The utilisation of the monies in the reserve will contribute to achieving this objective.

6 Police Operational Implications

- 6.1 See comments in point 5.

7 Financial Implications

- 7.1 Essex Police financial regulations under the Essex Police Authority allowed the force to carry forward funds for projects from one financial year to another. In 2011/12 an underspend of £300,000 was identified and set aside for the Support Services Programme team. The Essex Police Authority Finance and Audit Committee agreed on 25th June 2012 to carry forward £300,000 into 2012/13 to fund the two year project.
- 7.2 The financial regulations of the Essex Police and Crime Commissioner do not include carry forwards. In accordance with financial guidelines the best practice to ensure that the funds for the project team are secured for the remainder of the project will be to set up a separate earmarked reserve, namely the Support Services Directorate Reserve.
- 7.3 Funding of £600,000 was agreed in 2012; Kent contributed £300,000 and Essex contributed £300,000. As at March 2013 only 48,000 has been spent,

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therefore Essex Police will incur £24,000 in 2012/13 and require £276,000 to be transferred to an earmarked reserve and drawn down in 2013/14 and 2014/15.

8 Legal and Contractual Implications

8.1 None

9 Staffing and Other Resource Implications

9.1 A team to implement the changes was appointed in December 2012. The funding was originally given on the basis that the project would last up to 24 months.

10 Equality and Diversity Implications

10.1 Non apparent

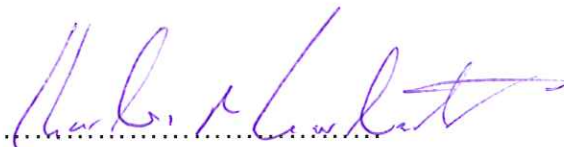
11.0 Background Papers

11.1 Essex Police Finance & Audit Committee on 25th June 2012 agreed the carry forward of £300,000 for resources required to implement a new structure and working practices for the Support Services Directorate. Ref EPA/108/12

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Report Approval

The report will be signed off by the Chief Executive and CFO and the PCC Solicitor where legal implications arise.

Chief Executive/M.O 

Chief Financial Officer

PCC Legal Advisor (as necessary)

Decision

I agree the recommendations to this report


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PCC/Deputy PCC

I do not agree the recommendations to this report because

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PCC/Deputy PCC

Publication

Reasons for non-publication (state 'None' if applicable)

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Signed/Print name

Report for publication

YES

NO

If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

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