**Performance and Resources Scrutiny Programme 2018/19**

**Report to: the Office of the Police, Fire and Crime Commissioner for Essex**

|  |  |
| --- | --- |
| **Title of Report:** | **Strategic Change – Efficiency, Savings and Investments Plan Update** |
| **Agenda Number:** | **5** |
| **Chief Officer** | **Dr Vicki Harrington** |
| **Date Paper was Written** | **18th January 2019** |
| **Version Number** | **2.0** |
| **Report from:** | **Essex Police** |
| **Date of Meeting:** | **31st January 2019** |
| **Author on behalf of Chief Officer:** | **Paul Nagle** |
| **Date of Approval:** | **21st January 2019** |

1. **Purpose of Report**

This report outlines progress against current and future efficiency and savings plans as set out in the budget, and the Force Medium Term Financial Strategy (MTFS).

1. **Recommendations**

Report is for the Board to note.

1. **Executive Summary**

The 2018/19 budget sets out an efficiency and savings requirement of **£3.497M** for 2018/19. This is on track to be delivered.

Work has been completed in developing the detail for the 2019/20 efficiency and savings plans which was included within the Budget setting papers provided to the Strategic Board on the 13th December 2018. Summary reporting of non-cashable productivity efficiency alongside the existing reporting of cashable savings continues to be developed for 2019/20 to meet the **£6.413M** savings and efficiency target. Further work has been undertaken to review non-cashable Fire Collaboration, BWV, and Mobile First projected efficiencies. The Efficiency and Savings Plan will be updated for these changes in the next report following the Police & Crime Panel Budget setting meeting on the 24th January.

**4.0 Introduction/Background**

The PFCC agreed savings and investment plans within the 2018/19 budget. The Budget for 2018/19 was presented and agreed by the Police and Crime Panel on the 22nd January 2018.

The Police, Fire and Crime Commissioner set a savings and efficiency target of 2% of Sources of Funding from 2019/20. A higher 2.25% savings and efficiency ambition has been set by the Force Efficiency & Savings Board to provide additional stretch and contingency should savings and efficiency plans not achieve the full expected benefits.

The Force estimates the future budget requirement, funding position, and any further savings and efficiency requirement within its MTFS. The projected savings and efficiency plan target for 2020/21 and subsequent years will therefore be impacted and adapted as sources of funding projections are updated within the MTFS.

**5.0 2018/19 Savings and Efficiency Plan**

The 2018/19 budget sets out an efficiency and savings requirement of £3.497M for 2018/19, which is summarised in the table below with further detail in Table 1.1.

|  |  |
| --- | --- |
|  | 2018/19 |
|  | £m |
| Savings plans - Green | 3.497 |
| Total savings identified | 3.497 |
| Savings to be identified | 0.0 |
| Total savings requirement | 3.497 |
|  |  |

Of the £3.497M savings identified in 2018/19, all savings of £3.497M (100%) are now green risk. The £0.020m savings for SCD – Major Crime is assessed as Green/Grey. This specific proposal is not being progressed in 2018/19 following the implementation of the SCD review, as other SCD savings from re-structuring have exceeded the overall SCD savings target.

**6.0 2019/20 Savings & Efficiency Plan**

The 2019/20 efficiency and savings plan will be presented at the Police, Fire and Crime Panel on the 24th January 2019. Table 1.2 below shows the position presented for consistency.

The 2019/20 savings and efficiency target is summarised in the table below.

|  |  |
| --- | --- |
|  | **2019/20** |
|  | **£m** |
| Cashable Savings plans or targets | 4.752 |
| Savings and Efficiency requirement as per MTFS | 6.413 |
| **Current Cashable Savings Shortfall** | **1.661** |
| Indicative Efficiency (Non-cashable) plans | 3.609 |

Further work has been undertaken to review projected non-cashable efficiency from Fire Collaboration, BWV, and Mobile First. The Efficiency and Savings Plan will be updated for these changes in the next report in February following the Police & Crime Panel Budget setting meeting on the 24th January 2019.

The RAG rating for each savings and efficiency proposal has been reviewed, with many now assessed as Green rather than Amber where there is strong confidence in them being fully achieved.

The Force Efficiency & Savings Board continues to meet regularly. It has steered the development of the 2019/20 Efficiency & savings plan to meet the MTFS requirement and is now focusing on the development of the 2020/21 Savings and Efficiency Plan.

**New Investments**

A separate more detailed report on the 2018/19 investments to support the Police & Crime Plan and the forecast expenditure from that investment is reported quarterly. The quarter 3 update is a separate item on the agenda.

**Implications/Issues**

Failure to identify sufficient savings and efficiency proposals, which are deliverable, places the Force at risk of being in an unbalanced budget position.

**7.1 Links to Police and Crime Plan Priorities**

All efficiency, savings and investment plans are considered in their potential impact to ensure they align and are consistent with the priorities set out in the Police and Crime Plan.

**7.2 Demand**

Planned investment in Police Officer numbers will directly start to address the findings of the Demand Analysis Report prepared with the support of PA Consulting which concluded that significant additional staffing may be needed in Local Policing Areas to cope with increasing levels of demand and to enable a shift towards preventative policing.

**7.3 Risks/Mitigation**

If the Force fails to plan adequately, emergency measures may need to be taken which could result in reduction in service and protection for the public.

**7.4 Equality and/or Human Rights Implications**

Any impact on equality, diversity or human rights are considered within the evaluation of detailed savings, efficiency and investment proposals individually

**7.5 Health and Safety Implications**

Any health and safety implications are considered within the evaluation of detailed savings, efficiency and investment proposals individually.

**8.0 Consultation/Engagement**

Consultation is undertaken for each savings, efficiency or investment proposal appropriately. Allowance for the potential time and resource required is taken into consideration within the financial estimates i.e. allowing for recruitment time for investment and consultation time for savings.

**9.0 Actions for Improvement**

There is ongoing action being taken to refine and develop the detail behind the savings and efficiency plans for future years, primarily through the Force Efficiency & Savings Board chaired by the Deputy Chief Constable.

**10.0 Future Work/Development**

Work will commence from February 2019 on developing the detail of the 2020/21 Efficiency and Savings Plans.

We continue to develop processes to enable the summary reporting of non-cashable efficiency savings alongside the existing reporting of cashable savings now quarterly reporting is in place.

**11.0 Decisions Required by the Police, Fire and Crime Commissioner**

There are no decisions required from the PFCC at this stage, report is for information only, and updates will continue to be presented to this board.

**Table 1.1**



