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

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

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| **Title of Report:** | **Strategic Change – Efficiency, Savings and Investments Plan Update** |
| **Agenda Number:** | **12.i** |
| **Chief Officer** | **Dr Vicki Harrington** |
| **Date Paper was Written** | **8th April 2019** |
| **Version Number** | **1.0** |
| **Report from:**  | **Essex Police** |
| **Date of Meeting:** | **30th April 2019** |
| **Author on behalf of Chief Officer:** | **Paul Nagle** |
| **Date of Approval:** | **11th April 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 set out an efficiency and savings requirement of **£3.497M** for 2018/19. This has now been fully delivered. Of the £3.497M savings identified in 2018/19, all savings of £3.497M (100%) are green risk.

The 2019/20 budget set out an efficiency and savings requirement of **£6.413M**.

This is made up between cashable savings of £4.752M with a further £3.609m non-cashable efficiencies identified which in total exceeds the overall Savings and Efficiency target by £1.948m.

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.

No changes have been made since the position reported in the March 2019 update report.

Further work has been undertaken to review non-cashable efficiencies. The Efficiency and Savings Plan Table 1.2 has been updated for these changes. The confirmation of projected non-cashable efficiencies for Body Worn Video will be updated following the development of the Benefits Framework in March 2019 and a Post Implementation review scheduled for July 2019.

**4.0 Introduction/Background**

The PFCC agreed cashable and non-cashable savings and investment plans within the 2019/20 budget. The Budget for 2019/20 was presented and agreed by the Police and Crime Panel on the 24th January 2019.

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. SCD savings target have been over achieved in year though the early delivery of the 19/20 programme, total £0.394m.

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

The 2019/20 efficiency and savings plan was presented at the Police, Fire and Crime Panel on the 24th January 2019, approving cashable savings of £4.752M .Table 1.2 provides further details.

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

|  |  |
| --- | --- |
|  | **2019/20** |
|   | **£m** |
| Savings and Efficiency requirement as per MTFS  | 6.413 |
| Cashable Savings plans  | 4.752 |
| Indicative Efficiency (Non-cashable) plans  | 4.157 |
| Total Savings and Efficiencies (Cashable and non-cashable)  | 8.910 |
| Excess of Cashable and Efficiency (non-cashable) savings vs Target | 2.497 |

The Efficiency and Savings Plan will be updated as further non-cashable savings are realised. Since the approval of the 2019/20 Budget, the non-cashable savings projected from the Mobile First Programme have been updated per the Mobile First report to the P&R Board in January 2019. The Fire Collaboration Savings arising from Collapsed doors has been added at £31k, and further cashable and non-cashable savings from Fire Collaboration are currently being reviewed prior to inclusion in the Efficiency & Savings Plan. Additional savings from Vital signs/Marginal gains have been added at £122k.

No changes have been made since the position reported in the March 2019 update report.

This has increased the 2019/20 non-cashable savings projection from £3.609m indicated in the approval Panel Budget to £4.157m, an increase of £0.548m.

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. The next meeting of the Board is scheduled for the 4th June 2019.

**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. A final report on the 2018/19 investments will be provided in May 2019. Quarterly monitoring of 2019/20 investments will commence in July 2019.

**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 has commenced in developing the detail of the 2020/21 Efficiency and Savings Plans. SLT was provided a briefing on the Efficiency and Savings Challenge on the 4th April 2019. Commands will be required to generate efficiency & savings proposals in May and report them back to the next Efficiency and Savings Board on the 4th June 2019, with reporting to the OPFCC Scrutiny Board commencing from July 2019.

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.

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