

Performance and Resources Scrutiny Programme 2019/20

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

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Chief Officer	Dr Vicki Harrington
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Author on behalf of Chief Officer:	Paul Nagle
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1.0 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).

2.0 Recommendations

Report is for the Board to note.

3.0 Executive Summary

The 2019/20 budget set out an efficiency and savings requirement of **£6.413M**. This is made up between cashable savings of £4.753M with a further £3.609m non-cashable efficiencies identified which in total exceeds the overall Savings and Efficiency target by £1.949m.

Since the last update report to this Board in July 2019 the cashable and efficiency savings forecast has increased by £159k primarily due to SCD increasing the projected cashable savings by an additional £111k and an additional £49k Marginal Gain non-cashable saving being confirmed. Cashable savings OPC (Hexagon) – £250k has moved from Amber to Red as it is highly unlikely this saving will be achieved in 2019/20.

Proposals developed by each command to include in the 2020/21 Savings and Efficiency Plan were presented and considered at the Efficiency and Savings Board on 26th July 2019 with the provisional list for 2020/21 savings set out in this report. Progress in developing the detail of the 2020/21 plans will be reviewed at the next Efficiency & Savings Board on 4th September 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 2019/20 Savings & Efficiency Plan

The summary table below provides the headline totals from the 2019/20 Savings and Efficiency Plan and the variance between the latest August position and the position reported to the July Performance and Resources Board.

2019/20 Savings and Efficiency Plan – Summary Table	2019/20 Updated Forecast/ Actual July	2019/20 Updated Forecast/ Actual August
	£m	£m
Savings and Efficiency requirement as per MTFS	6.413	6.413
Cashable Savings plans	4.804	4.914
Indicative Efficiency (Non-cashable) plans	4.158	4.207
Total Savings and Efficiencies (Cashable and non-cashable)	8.962	9.121
Excess of Cashable and Efficiency (non-cashable) savings vs Target	2.549	2.708

Table 1.1 at the end of this report provides the detail of the 2019/20 Savings and Efficiency Plan. Table 1.2 provides the difference between the latest position and budget setting, along with the detailed variance between latest August position and the position reported at July Performance and Resources Board.

Since the last report to the P&R Board on the 25th July 2019 the efficiency and savings plan has been updated as follows-

Cashable Savings

- SCD is showing an overachievement due to business case modifications from the original 'main' business case implemented following the SCD Review, increasing the

projected savings by an additional £111k (Table 1.2). All business cases for SCD have now been reconciled.

- A small variance (£1k reduction) has occurred rating to the Licencing Resourcing Review due to differing rates used for business cases and budget setting (Table 1.2).
- OPC (Hexagon) – £250k has moved from Amber to Red as it is highly unlikely this saving will be achieved in 2019/20. A briefing paper on Op Hexagon will be brought to 16th September OPFCC Strategic Board.

Non-cashable Savings

- Marginal Gains savings have been combined following a full review by the team. Additional savings of £49k on top of the previously reported total of £163k for July 2019 have been verified by the Vital Signs business improvement officer
- A benefits paper on Telematics non-cashable savings has been produced. This will be reviewed by the Efficiencies & Savings Board on 4th September 2019.

The Efficiency and Savings Plan will be updated as further cashable and non-cashable savings are realised.

6.0 2020/21 Savings & Efficiency Plan

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 Efficiency & Savings Board will meet on 4th September 2019. Proposals developed by each command to include in the 2020/21 Savings and Efficiency Plan were presented and considered at the last board on 26th July 2019 with the provisional list for 2020/21 savings in Table 1.3 below.

7.0 New Investments

A separate more detailed report on the 2019/20 investments to support the Police & Crime Plan and the forecast expenditure from that investment is reported quarterly. Quarterly monitoring of 2019/20 investments will commence from August 2019 for which there is a separate agenda item.

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.

8.1 **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.

8.2 **Demand**

There is a high and increasing demand for police services due to both the volume of crime and incidents, and their severity. In 2018/19 crime in Essex increased by 18.3 per cent. This, coupled with the changing crime mix, particularly the disproportionate increase in high harm and more complex crime types, increases the demand the Force faces, which volume alone masks.

The implementation of Efficiency & Savings plans supports the force by enabling a greater investment in Police Officer numbers than otherwise would be possible by making saving that can be re-invested in priority areas.

8.3 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.

8.4 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

8.5 Health and Safety Implications

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

9.0 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.

10.0 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. Early engagement will enable the development of cashable savings earlier for 2021/22 and 2022/23.

11.0 Future Work/Development

Work has commenced in developing the detail and supporting business cases for the 2020/21 Efficiency and Savings Plans so they can be considered through the 2020/21 Budget Cycle process in the Autumn period. Progress in developing the detail of the 2020/21 plans will be reviewed at the next Efficiency & Savings Board on 4th September 2019.

We continue to develop processes to enable the summary reporting of non-cashable efficiency savings on a quarterly basis alongside the existing monthly reporting of cashable savings.

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Table 1.1 2019/20	2019/20 PFCC	2019/20	2019/20	2019/20	Overall Status	Green	2019/20	2019/20
Efficiencies and Productivity Plans	Police And Crime Panel Agreed Savings (£m)	In Year Effect Savings Actual/Forecast (£m)	In Year Savings Still to be Achieved (£m)	Actioned & Realised Savings Under / (Over Achieved) in year (£m)	Status	COMMENTS	Full Year Effect Savings Actual/Forecast (£m) CASHABLE	Full Year Savings Still to be Achieved (£m)
Estate Disposals revenue (gross)	(0.400)	(0.400)	0.000	0.000		Achieved at Budget Setting	(0.400)	0.000
Non-Pay	(0.283)	(0.283)	0.000	0.000		Achieved at Budget Setting	(0.283)	0.000
Increase in police staff vacancy factor %	(1.000)	(1.036)	0.000	(0.036)		Agreed at COG - October 2018	(1.036)	0.000
Contact Management - Change in Roles	(0.122)	(0.122)	(0.049)	0.000		£73.4k achieved to date. £48.6k still to be achieved	(0.122)	(0.049)
Licensing Resourcing Review	(0.025)	(0.024)	0.000	0.001		Savings now confirmed	(0.024)	0.000
SSD Staff Reduction - L&D SSTU Trainer	(0.039)	(0.038)	0.000	0.001		Achieved at Budget Setting	(0.038)	0.000
SSD Non pay - L&D/HR	(0.065)	(0.065)	0.000	0.000		Achieved at Budget Setting	(0.065)	0.000
SSD Non pay - Procurement/Contracts	(0.183)	(0.183)	0.000	0.000		Achieved at Budget Setting	(0.183)	0.000
SSD Non pay - IT Review	(0.761)	(0.761)	0.000	0.000		Achieved at Budget Setting	(0.761)	0.000
SSD Non pay - Transport	(0.182)	(0.182)	0.000	0.000		Achieved at Budget Setting	(0.182)	0.000
SSD Non pay - Business Services	(0.149)	(0.149)	0.000	0.000		Savings now confirmed	(0.149)	0.000
SCD	(1.176)	(1.303)	0.128	(0.127)		Savings now confirmed	(1.303)	0.128
OPC (Hexagon)	(0.250)	(0.250)	(0.250)	0.000		Awaiting Business Case	(0.250)	(0.250)
Technical inter-year adjustments	(0.117)	(0.117)	0.000	0.000		Stansted - contribution force overhead costs	(0.117)	0.000
CASHABLE SAVINGS	(4.753)	(4.914)	(0.171)	(0.161)			(4.914)	(0.171)
Mobile First (Excl. HCL) Yr. 1	(2.200)	(2.015)	(2.015)	0.185		Per P&RS Board - May 19	(2.015)	(2.015)
Mobile First (Excl. HCL) Yr. 2	(0.647)	(1.227)	(1.227)	(0.580)		Per P&RS Board - May 19	(1.227)	(1.227)
Special Constables	(0.722)	(0.722)	(0.722)	0.000		Per analysis of operational hours delivered	(0.722)	(0.722)
BWV			0.000	0.000		Savings will be a development of the Benefits Framework and a Post Implementation review scheduled for later this year	0.000	0.000
Vital Signs - Marginal Gains	(0.040)	(0.212)	(0.212)	(0.172)		Marginal Gains savings updated for August 2019	(0.212)	(0.212)
Telematics			0.000	0.000		System now live, will result in opportunity for more effective use of fleet. Report requested for September Efficiency and Savings board	0.000	0.000
Fire Collaboration		(0.031)	(0.031)	(0.031)		Collapsed behind closed doors project	(0.031)	(0.031)
NON CASHABLE SAVINGS	(3.609)	(4.207)	(4.207)	(0.598)			(4.207)	(4.207)
SAVINGS TOTAL	(8.362)	(9.121)	(4.378)	(0.759)			(9.121)	(4.378)
Savings Requirement as per MTFS	(6.413)	(6.413)				Set @ 2.25% of the MTFS	(6.413)	
(Shortfall) / Surplus	1.949	2.708					2.708	

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Table 1.2 2019/20 - Variances July to August 2019 - Changes emboldened	2019/20 PFCC	2019/20	2019/20	2019/20	2019/20	2019/20	Overall Status
Efficiencies and Productivity Plans	Police And Crime Panel Approved Savings (£m)	In Year Effect Savings Actual/For ecast @ August 2019 (£m)	Variance Budget to current Forecast	In Year Effect Savings Actual/For ecast @ July 2019 (£m)	In Year Effect Savings Actual/For ecast @ August 2019 (£m)	Variance previous Forecast to current Forecast	Status
Estate Disposals revenue (gross)	(0.400)	(0.400)	0.000	(0.400)	(0.400)	0.000	
Non-Pay	(0.283)	(0.283)	0.000	(0.283)	(0.283)	0.000	
Increase in police staff vacancy factor %	(1.000)	(1.036)	(0.036)	(1.036)	(1.036)	0.000	
Contact Management - Change in Roles	(0.122)	(0.122)	0.000	(0.122)	(0.122)	0.000	
Licensing Resourcing Review	(0.025)	(0.025)	0.000	(0.025)	(0.024)	0.001	
SSD Staff Reduction - L&D SSTU Trainer	(0.039)	(0.038)	0.001	(0.038)	(0.038)	0.000	
SSD Non pay - L&D/HR	(0.065)	(0.065)	0.000	(0.065)	(0.065)	0.000	
SSD Non pay - Procurement/Contracts	(0.183)	(0.183)	0.000	(0.183)	(0.183)	0.000	
SSD Non pay - IT Review	(0.761)	(0.761)	0.000	(0.761)	(0.761)	0.000	
SSD Non pay - Transport	(0.182)	(0.182)	0.000	(0.182)	(0.182)	0.000	
SSD Non pay - Business Services	(0.149)	(0.149)	0.000	(0.149)	(0.149)	0.000	
SCD	(1.176)	(1.303)	(0.127)	(1.192)	(1.303)	(0.111)	
OPC (Hexagon)	(0.250)	(0.250)	0.000	(0.250)	(0.250)	0.000	
Technical inter-year adjustments	(0.117)	(0.117)	0.000	(0.117)	(0.117)	0.000	
CASHABLE SAVINGS	(4.753)	(4.915)	(0.162)	(4.804)	(4.914)	(0.110)	
Mobile First (Excl. HCL) Yr 1	(2.200)	(2.015)	0.185	(2.015)	(2.015)	0.000	
Mobile First (Excl. HCL) Yr 2	(0.647)	(1.227)	(0.580)	(1.227)	(1.227)	0.000	
Special Constables	(0.722)	(0.722)	0.000	(0.722)	(0.722)	0.000	
BWV	0.000	0.000	0.000	0.000	0.000	0.000	
Vital Signs - Marginal Gains	(0.040)	(0.212)	(0.172)	(0.163)	(0.212)	(0.049)	
Telematics	0.000	0.000	0.000	0.000	0.000	0.000	
Fire Collaboration	0.000	(0.031)	(0.031)	(0.031)	(0.031)	0.000	
NON CASHABLE SAVINGS	(3.609)	(4.158)	(0.598)	(4.158)	(4.207)	(0.049)	
SAVINGS TOTAL	(8.362)	(9.074)		(8.962)	(9.121)		
Savings Requirement as per MTFS	(6.413)	(6.413)		(6.413)	(6.413)		
(Shortfall) / Surplus	1.949	2.661		2.549	2.708	0.159	

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Table 1.3 2020/21	2020/21 PCC	2020/21	2020/21	2020/21	Overall Status	Amber	2020/21	2020/21
Efficiencies and Productivity Plans	Police And Crime Panel Agreed Savings (£m)	In Year Effect Savings Actual/Forecast (£m)	In Year Savings Still to be Achieved (£m)	Actioned & Realised Savings Under / (Over Achieved) in year (£m)	Status	COMMENTS	Full Year Effect Savings Actual/Forecast (£m) CASHABLE	Full Year Savings Still to be Achieved (£m)
Estate Disposals revenue (gross)	TBA	(0.146)	(0.146)	0.000			(0.146)	(0.146)
Non-Pay	TBA	(0.200)	(0.200)	0.000			(0.200)	(0.200)
Additional Non-Pay	TBA	(0.222)	(0.222)	0.000		First draft/indicative savings	(0.222)	(0.222)
Income Generation	TBA	(0.185)	(0.185)	0.000		First draft/indicative savings	(0.185)	(0.185)
Police Officer Overtime - Summer Demand	TBA	(0.500)	(0.500)	0.000			(0.500)	(0.500)
Support Services Directorate Total	TBA	(1.766)	(1.766)	0.000			(1.766)	(1.766)
Additional Rents - Temporary Storage - Estates	TBA	(0.055)	(0.055)	0.000			(0.055)	(0.055)
Coroner Service Funding Agreement	TBA	(0.034)	(0.034)	0.000			(0.034)	(0.034)
Contact Management - Resolution Centre	TBA	(0.111)	(0.111)	0.000		Unlikely to be achieved - Awaiting a COG action to remove	(0.111)	(0.111)
Criminal Justice Command	TBA	(0.715)	(0.715)	0.000		First draft/indicative savings	(0.715)	(0.715)
OPC	TBA	(0.170)	(0.170)	0.000		First draft/indicative savings	(0.170)	(0.170)
Contact Management	TBA	(0.265)	(0.265)	0.000		First draft/indicative savings	(0.265)	(0.265)
Strategic Change Directorate	TBA	(0.064)	(0.064)	0.000		First draft/indicative savings	(0.064)	(0.064)
PSD	TBA	(0.023)	(0.023)	0.000		First draft/indicative savings	(0.023)	(0.023)
LPA's	TBA	(0.300)	(0.300)	0.000		First draft/indicative savings	(0.300)	(0.300)
Legal	TBA	(0.014)	(0.014)	0.000		First draft/indicative savings	(0.014)	(0.014)
SCD	TBA	(0.402)	(0.402)	0.000		First draft/indicative savings	(0.402)	(0.402)
CASHABLE SAVINGS	0.000	(5.172)	(5.172)	0.000			(5.172)	(5.172)
Mobile First	TBA		0.000	0.000			0.000	0.000
Special Constables	TBA		0.000	0.000			0.000	0.000
BWV	TBA		0.000	0.000			0.000	0.000
Vital Signs	TBA		0.000	0.000			0.000	0.000
Single Online Home	TBA		0.000	0.000			0.000	0.000
NON CASHABLE SAVINGS	0.000	0.000	0.000	0.000			0.000	0.000
Technical inter-year adjustments								0.000
TOTAL PFCC Savings	0.000	(5.172)	(5.172)	0.000			(5.172)	(5.172)
Other Savings	0.000	0.000	0.000	0.000				
Savings Requirement as per MTFS	(6.775)	(6.775)				Set @ 2.25% of the MTFS	(6.775)	
(Shortfall) / Surplus - Cashable	(6.775)	(1.603)					(1.603)	