

Performance and Resources Scrutiny Programme 2019/20

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

Title of Report:	Strategic Change – Efficiency, Savings and Investments Plan Update
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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**. Currently there are 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.

There is one change to report since the last update report to this Board in August 2019. The £250k 2019/20 savings forecast for Op Hexagon has been removed, with the anticipated savings from this business case being re-considered for 2020/21. The impact of this is to reduce the forecast savings for 2019/20 to £4.664M, resulting in a forecast under achievement of £0.089M compared to the £4.753m cashable savings agreed by the Police & Crime Panel.

The Efficiency & Savings Board met on 4th September 2019 and reviewed progress on the implementation of the 2019/20 Savings Plans, and the development of the detail for the 2020/21 plans to meet the MTFS requirement. Progress in developing the detail of the 2020/21 plans will be reviewed again at the Efficiency & Savings Board on 14th October 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 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 projections for sources of funding 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 September position and the position reported to the August Performance and Resources Board.

2019/20 Savings and Efficiency Plan – Summary Table	2019/20 Updated Forecast August	2019/20 Updated Forecast September
	£m	£m
Savings and Efficiency requirement as per MTFs	6.413	6.413
Cashable Savings plans	4.914	4.664
Indicative Efficiency (Non-cashable) plans	4.207	4.207
Total Savings and Efficiencies (Cashable and non-cashable)	9.121	8.871
Excess of Cashable and Efficiency (non-cashable) savings vs Target	2.708	2.458

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 September position and the position reported at August Performance and Resources Board.

Since the last report to the P&R Board on 29th August 2019 the efficiency and savings plan has changed in one area.

It was agreed at the Efficiency & Savings Board on the 4th September 2019 that following an update to JCOG on the Op Hexagon Business Case that the £250k 2019/20 savings forecast for Op Hexagon be reduced to nil, with the anticipated savings from this business case being re-considered for 2020/21. Work is ongoing to identify opportunities for savings within the

project scope but there are no identified immediate opportunities. Lack of a shared IT platform continues to place alignment of processes and command on hold. A decision on the Kent IT system is likely to be made in September 2019. Work in Essex is focusing on planning how a 50% increase in licence renewals will be managed in 2020 within the current structure.

6.0 2020/21 Savings & Efficiency Plan

The Force Efficiency & Savings Board continues to meet regularly. The Efficiency & Savings Board met on 4th September 2019 and reviewed progress on the implementation of the 2019/20 Savings Plans, and the development of the detail for the 2020/21 plans to meet the MTFs requirement. The next Efficiency & Savings Board will meet on 14th October 2019. The provisional list of proposals developed by each command to include in the 2020/21 Savings and Efficiency Plan are detailed 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. The next report for the second quarter is due in October 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.

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. Each Command has been tasked with providing more detail on their savings proposals by the 13th September 2019. Progress in developing the detail of the 2020/21 plans will be reviewed at the next Efficiency & Savings Board on 14th October 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			(0.111)	(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)	0.000	0.000	0.250		Agreed at 4th Sept, Efficiency & Savings Board to remove from the 19/20 programme and re-consider savings target for 20/21.	0.000	(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)	(4.664)	0.079	0.089			(4.653)	(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)	(8.871)	(4.128)	(0.509)			(8.860)	(4.378)
Savings Requirement as per MTFs	(6.413)	(6.413)				Set @ 2.25% of the MTFs	(6.413)	
(Shortfall) / Surplus	1.949	2.458					2.447	

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Table 1.2 2019/20 - Variances August to September 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 @ August 2019 (£m)	In Year Effect Savings Actual/For ecast @ Septembe r 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	(0.024)	(0.024)	0.000	
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)	(1.303)	(1.303)	0.000	
OPC (Hexagon)	(0.250)	(0.250)	0.000	(0.250)	0.000	0.250	
Technical inter-year adjustments	(0.117)	(0.117)	0.000	(0.117)	(0.117)	0.000	
CASHABLE SAVINGS	(4.753)	(4.915)	(0.162)	(4.914)	(4.664)	0.250	
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)	(0.212)	(0.212)	0.000	
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)	(4.207)	(4.207)	0.000	
SAVINGS TOTAL	(8.362)	(9.074)		(9.121)	(8.871)		
Savings Requirement as per MTFS	(6.413)	(6.413)		(6.413)	(6.413)		
(Shortfall) / Surplus	1.949	2.661		2.708	2.458	(0.250)	

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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)
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	(5.061)	(5.061)	0.000			(5.061)	(5.061)
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	(5.061)	(5.061)	0.000			(5.061)	(5.061)
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)	(1.714)					(1.714)	