

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
Classification of Paper	Official
Agenda Number:	10i)
Chief Officer	Dr Vicki Harrington
Date Paper was Written	8th October 2019
Version Number	1.1
Report from:	Essex Police
Date of Meeting:	31st October 2019
Author on behalf of Chief Officer:	Paul Nagle
Date of Approval:	21st October 2019

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**. The Budget set out 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 are cashable savings of £4.667M with a further £4.078m non-cashable efficiencies identified which in total exceeds the overall Savings and Efficiency target by £2.332m. All cashable savings for 2019/20 have now been realised.

Work is continuing to develop and review the detail of the supporting business cases for the 2020/21 Efficiency and Savings Plans so they can be confidently incorporated into the 2020/21 Budget

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 October position and the position reported to the September Performance and Resources Board.

2019/20 Savings and Efficiency Plan – Summary Table	2019/20 Updated Forecast September	2019/20 Updated Forecast October
	£m	£m
Savings and Efficiency requirement as per MTFs	6.413	6.413
Cashable Savings plans	4.664	4.667
Indicative Efficiency (Non-cashable) plans	4.207	4.078
Total Savings and Efficiencies (Cashable and non-cashable)	8.871	8.7454
Excess of Cashable and Efficiency (non-cashable) savings vs Target	2.458	2.332

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

Since the last report to the P&R Board on 26th September the efficiency and savings plan has changed in the following areas:-

Cashable Savings

- The savings of £122k for Contact Management have been confirmed at £122k, this has changed slightly by £3k from last month where the forecast was for £119k savings.

- All cashable savings for 2019/20 have now been realised. The adverse variance for in-year savings for 2019/20 reported in Table 1.1 of £86k will be offset against underutilised in-year staffing investment.
- The adverse variance of the full-year £97k savings not achieved from the 2019/20 Efficiency & Savings plan will be carried forward to the 2020/21 plan.

Non-cashable Savings

- The projected non-cashable savings arising from Mobile First in year 2 have been reduced by £129k from £1.227m to £1.098m. This reflects the position reported in the Mobile First Update report to P&R Committee in September.

6.0 **2020/21 Savings & Efficiency Plan**

The Force Efficiency & Savings Board continues to meet regularly. The Efficiency & Savings Board met on 14th October 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 9th December 2019. The current draft of the 2020/21 Savings and Efficiency Plan is 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 November 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 is continuing to develop and review the detail of the supporting business cases for the 2020/21 Efficiency and Savings Plans so they can be confidently incorporated into the 2020/21 Budget. Each Command has provided more detail on their savings proposals which were discussed at the Efficiency & Savings Board on 14th October 2019 and confirmed that each proposal is viable. It is planned for these business cases to then be taken to the 26th November SCCB and subsequently to COG in December for approval.

Work has also now commenced to review and confirm the non-cashable efficiency savings to include within the 2020/21 Efficiency & savings plans.

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)	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)	(0.036)
Contact Management - Change in Roles	(0.122)	(0.122)	0.000	0.000		Savings now confirmed	(0.111)	0.011
Licensing Resourcing Review	(0.025)	(0.027)	0.000	(0.002)		Savings now confirmed	(0.027)	(0.002)
SSD Staff Reduction - L&D SSTU Trainer	(0.039)	(0.038)	0.000	0.001		Achieved at Budget Setting	(0.038)	0.001
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)	0.000	(0.127)		Savings now confirmed	(1.303)	(0.127)
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)	(4.667)	0.000	0.086			(4.656)	0.097
Mobile First (Excl. HCL) Yr. 1	(2.200)	(2.015)	(2.015)	0.185		Per P&RS Board - Sept 19	(2.015)	(2.015)
Mobile First (Excl. HCL) Yr. 2	(0.647)	(1.098)	(1.098)	(0.451)		Updated Per P&RS Board - Sept 19	(1.098)	(1.098)
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 October 2019	(0.212)	(0.212)
Telematics			0.000	0.000		System now live, will result in opportunity for more effective use of fleet.	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)	(4.078)	(4.078)	(0.469)			(4.078)	(4.078)
SAVINGS TOTAL	(8.362)	(8.745)	(4.078)	(0.383)			(8.734)	(3.981)
Savings Requirement as per MTFS	(6.413)	(6.413)				Set @ 2.25% of the MTFS	(6.413)	
(Shortfall) / Surplus	1.949	2.332					2.321	

Table 1.2 2019/20 - Variances September to October 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/Forecast @ September 2019 (£m)	Variance Budget to current Forecast	In Year Effect Savings Actual/Forecast @ September 2019 (£m)	In Year Effect Savings Actual/Foreca st @ October 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	(0.119)	(0.122)	(0.003)	
Licensing Resourcing Review	(0.025)	(0.027)	(0.002)	(0.027)	(0.027)	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)	0.000	0.250	0.000	0.000	0.000	
Technical inter-year adjustments	(0.117)	(0.117)	0.000	(0.117)	(0.117)	0.000	
CASHABLE SAVINGS	(4.753)	(4.667)	0.086	(4.664)	(4.667)	(0.003)	
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)	(1.098)	0.129	
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	
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	
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)	0.129	
SAVINGS TOTAL	(8.362)	(9.074)		(8.871)	(8.874)		
Savings Requirement as per MTFS	(6.413)	(6.413)		(6.413)	(6.413)		
(Shortfall) / Surplus	1.949	2.661		2.458	2.461	0.003	

Table 1.3 2020/21 DRAFT	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)	Full Year Savings Still to be Achieved (£m)
Estate Disposals revenue (gross)	TBA	(0.146)	(0.146)	0.000		Non-Pay to be removed at Budget Setting	(0.146)	(0.146)
Non-Pay	TBA	(0.212)	(0.212)	0.000		Non-Pay to be removed at Budget Setting	(0.212)	(0.212)
Police Officer Overtime - Flex/Shift pattern	TBA	(0.500)	(0.500)	0.000		Confirmed achievable at E&SB 14.10.19	(0.500)	(0.500)
Police Officer & Staff Overtime - Bank Holiday	TBA	(0.128)	(0.128)	0.000		Finance will review to confirm is achievable	(0.128)	(0.128)
Additional Rents - Temporary Storage - Estates	TBA	(0.055)	(0.055)	0.000		Non-Pay to be removed at Budget Setting	(0.055)	(0.055)
Coroner Service Funding Agreement	TBA	(0.034)	(0.034)	0.000		Non-Pay to be removed at Budget Setting	(0.034)	(0.034)
Additional Non-Pay	TBA	(0.173)	(0.173)	0.000		Non-Pay to be removed at Budget Setting	(0.173)	(0.173)
Income Generation	TBA	(0.185)	(0.185)	0.000		Non-Pay to be removed at Budget Setting	(0.185)	(0.185)
Custody Review	TBA	(0.161)	(0.161)	0.000		Confirmed achievable at E&SB 14.10.19	(0.322)	(0.322)
Criminal Justice Command	TBA	(0.150)	(0.150)	0.000		Confirmed achievable at E&SB 14.10.19	(0.394)	(0.394)
OPC	TBA	(0.148)	(0.148)	0.000		Confirmed achievable at E&SB 14.10.19	(0.148)	(0.148)
Contact Management	TBA	(0.164)	(0.164)	0.000		Confirmed achievable at E&SB 14.10.19	(0.278)	(0.278)
Strategic Change Directorate	TBA	(0.105)	(0.105)	0.000		Confirmed achievable at E&SB 14.10.19	(0.105)	(0.105)
PSD	TBA	(0.023)	(0.023)	0.000		Confirmed achievable at E&SB 14.10.19	(0.023)	(0.023)
LPA's	TBA	(0.125)	(0.125)	0.000		Confirmed achievable at E&SB 14.10.19	(0.250)	(0.250)
Legal	TBA	(0.016)	(0.016)	0.000		Confirmed achievable at E&SB 14.10.19	(0.016)	(0.016)
Support Services Directorate Total	TBA	(1.380)	(1.380)	0.000		Confirmed achievable at E&SB 14.10.19	(1.380)	(1.380)
SCD	TBA	(0.402)	(0.402)	0.000		Confirmed achievable at E&SB 14.10.19	(0.402)	(0.402)
CASHABLE SAVINGS	0.000	(4.107)	(4.107)	0.000			(4.751)	(4.751)
Mobile First	TBA	0.000	0.000	0.000			0.000	0.000
Special Constables	TBA	0.000	0.000	0.000			0.000	0.000
BWV	TBA	0.000	0.000	0.000			0.000	0.000
Vital Signs	TBA	0.000	0.000	0.000			0.000	0.000
Single Online Home	TBA	0.000	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	(4.107)	(4.107)	0.000			(4.751)	(4.751)
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)	(2.668)					(2.024)	