**Performance and Resources Scrutiny Programme 2019/20**

**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** |
| **Classification of Paper** | **Official** |
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| **Chief Officer** | **Dr Vicki Harrington** |
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| **Report from:** | **Essex Police** |
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| **Author on behalf of Chief Officer:** | **Paul Nagle** |
| **Date of Approval:** | **8th November 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**

There are **no changes** to report on the Efficiency Savings Programme this month. The 2019/20 Plan is delivered and the 2020/21 savings programme will not be baselined until the Budget is agreed in January 2020.

Work is continuing to develop and QA 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. It is planned for these business cases to then be taken to the 26th November SCCB and subsequently to COG on the 4th December for approval. The outcome from the last Efficiency & Savings Board in October was reflected in last month’s update.

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. A further update on Op Hexagon was considered by JCOG on 6th November 2019. It was confirmed by both Chief Constables that until Kent change to the chronical IT system for Firearms licencing that no further progress can be made on the project.

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.

**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. There have been no changes between the latest November position and the position reported to the October Performance and Resources Board.

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| --- | --- |
| **2019/20 Savings and Efficiency Plan – Summary Table** | **2019/20**  **Updated Forecast**  **November** |
|  | **£m** |
| Savings and Efficiency requirement as per MTFS | 6.413 |
| Cashable Savings plans | 4.667 |
| Indicative Efficiency (Non-cashable) plans | 4.078 |
| Total Savings and Efficiencies (Cashable and non-cashable) | 8.745 |
| Excess of Cashable and Efficiency (non-cashable) savings vs Target | 2.332 |

Table 1.1 at the end of this report provides the detail of the 2019/20 Savings and Efficiency Plan.

**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.

**8.0 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 on the 4th 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.



