**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 Programme** |
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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:** | **11th December 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 2019/20 Plan is delivered and the 2020/21 savings programme will not be baselined until the Budget is agreed in January 2020. There is one change to report on the 2019/20 non-cashable savings. The 2019/20 non-cashable savings projection in operational hours delivered by Special Constables has been reviewed against assumptions determined at the start of the financial year and increased by £0.571m from £0.722m to £1.293m.

Work has continued to develop and QA the detail of the supporting business cases for the 2020/21 Efficiency and Savings Plans. The Strategic Change and Co-ordination Board (SCCB) considered eight 2020/21 savings business cases on the 26th November 2019 which were subsequently reviewed and considered by COG w/c 2nd December 2019. The Efficiency & Savings Board met on the 9th December 2019 and reviewed the draft Efficiency & Savings Plan, including non-cashable savings which will now be finalised prior to inclusion within the proposed 2020/21 Budget.

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 £4.649m non-cashable efficiencies identified which in total exceeds the overall Savings and Efficiency target by £2.903m. 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 is one change to report on the 2019/20 non-cashable savings. The 2019/20 non-cashable savings projection in operational hours delivered by Special Constables has been reviewed against assumptions determined at the start of the financial year and increased by £0.571m from £0.722m to £1.293m. There have been no other changes between the latest December position and the position reported to the November Performance and Resources Board.

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| **2019/20 Savings and Efficiency Plan – Summary Table** | **2019/20****Forecast****November**  | **2019/20****Updated Forecast****December**  |
|   | **£m** | **£m** |
| Savings and Efficiency requirement as per MTFS  | 6.413 | 6.413 |
| Cashable Savings plans  | 4.667 | 4.667 |
| ***Indicative Efficiency (Non-cashable) plans***  | ***4.078*** | ***4.649*** |
| Total Savings and Efficiencies (Cashable and non-cashable)  | 8.745 | 9.316 |
| Excess of Cashable and Efficiency (non-cashable) savings vs Target | 2.332 | 2.903 |

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 SCCB considered eight 2020/21 savings business cases on the 26th November 2019 which were subsequently reviewed and considered by COG w/c 2nd December 2019.

The Force Efficiency & Savings Board continues to meet regularly. The Efficiency & Savings Board met on 9th December 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, including non-cashable savings. The 2020/21 plan will now be finalised for inclusion within the 2020/21 Budget.

The next Efficiency & Savings Board will meet on 20th January 2019. The current draft of the 2020/21 Savings and Efficiency Plan is detailed in Table 1.3 below.

**7.0 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**

The 2020/21 Efficiency and Savings plan in now being finalised for inclusion within the 2020/21 Budget. Work on firming up two more complex savings business cases continues and will be presented to the 9th January 2020 and 21st February 2020 SCCB.

Detailed work in developing the 2021/22 Efficiency & Savings plans will be commissioned from the spring 2020 COG away day, where savings and efficiency ideas will be considered alongside other strategic force priorities.



