

Performance and Resources Scrutiny Programme 2019/20

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

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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 Savings Plan is delivered.

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.

The 2020/21 savings programme has been finalised and is incorporated within the 2020/21 Budget which is planned for approval at the Police and Crime Panel on the 6th February 2020. The identified savings and efficiencies for the force set out in the proposed Budget for 2020/21 total £5.833m cashable (£4.832m recurring), and £2.220m non-cashable savings. The target set for the force is 2.25% of the MTFS which is £6.775m; this has been exceeded by £1.278m, with a combined cashable and non-cashable savings total of £8.053m.

Work will now focus on developing the savings and efficiency plans for 2021/21 and future years, primarily through the Force Efficiency & Savings Board chaired by the Deputy Chief Constable. It should however be recognised that following many years of identifying significant cashable savings, it will become increasingly difficult to identify this quantum of cashable savings in future years without negatively impacting on the service provided.

4.0 Introduction/Background

The PFCC agreed cashable and non-cashable savings 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.

The Budget for 2020/21 is due to be presented for agreement by the Police and Crime Panel on 6th February 2020.

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 January 2020 position and the position reported to the December 2019 Performance and Resources Board.

2019/20 Savings and Efficiency Plan – Summary Table	2019/20 Forecast December	2019/20 Updated Forecast January
	£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	4.649	4.649
Total Savings and Efficiencies (Cashable and non-cashable)	9.316	9.316
Excess of Cashable and Efficiency (non-cashable) savings vs Target	2.903	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 identified savings and efficiencies for the force set out in the proposed Budget for 2020/21 total £5.833m cashable (£4.832m recurring), and include Police overtime savings from the introduction of new shift patterns (£0.5m), savings from non-pay and contractual reviews within Support Services Directorate (£1.910m) and an increase in the vacancy factor from 7% to 9% for police staff (£1.303m) in 2020/21 only. Additionally, the force has also identified £2.220m non-cashable savings, roughly half of which is attributable to body worn video. The target set for the

force is 2.25% of the MTFs which is £6.775m; this has been exceeded by £1.278m, with a combined cashable and non-cashable savings total of £8.053m.

It should however be recognised that following many years of identifying significant cashable savings, it will become increasingly difficult to identify this quantum of cashable savings in future years without negatively impacting on the service provided.

The next Efficiency & Savings Board will meet on 20th January 2019. 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.

7.1 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.

7.2 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.

7.3 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.

7.4 Equality and/or Human Rights Implications

Any impact on equality, diversity or human rights are considered within the evaluation of detailed savings and efficiency proposals individually

7.5 Health and Safety Implications

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

8.0 Consultation/Engagement

Consultation is undertaken for each savings or efficiency proposal as appropriate, in accordance with HR requirements for organisation restructuring. Allowance for the potential time and resource required is taken into consideration within the savings estimates i.e. allowing for consultation with affected staff and officers prior to the implementation of new structures and the achievement of savings. Regular engagement is maintained with all the Representative

bodies (Federation, Unison, Superintendent's Association) which is confirmed through the JNCC ,ensuring consultation and negotiation processes are adhered to where necessary.

9.0 Actions for Improvement

Having determined the Efficiency and Savings plan for 2020/21, work will now focus on developing the savings and efficiency plans for 2021/21 and 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.

10.0 Future Work/Development

Work on firming up two more complex savings business cases included as part of the 2020/21 Efficiency & Savings Plan continues. The first of these will be presented to 20th January 2020 Efficiency and Savings Board and the second to 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.

It should however be recognised that following many years of identifying significant cashable savings, it will become increasingly difficult to identify this quantum of cashable savings in future years without negatively impacting on the service provided.

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)	(1.293)	(1.293)	(0.571)		Updated analysis of operational hours delivered and forecast Dec 19	(1.293)	(1.293)
BWV			0.000	0.000		BWV PIR concluded and reported to P&RS Board - Dec 19 - Savings of £1.122m have been reflected in 2020/21 non-cashable savings plan	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 and is enabling effective Fleet Management. Quantification of non-cashable savings in development and will be reported and included in 2020/21 non-cashable savings plan.	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)	(4.649)	(4.649)	(1.040)			(4.649)	(4.649)
SAVINGS TOTAL	(8.362)	(9.316)	(4.649)	(0.954)			(9.305)	(4.552)
Savings Requirement as per MTFS	(6.413)	(6.413)				Set @ 2.25% of the MTFS	(6.413)	
(Shortfall) / Surplus	1.949	2.903					2.892	

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	(0.161)	(0.161)	0.000		Updated from 9th Dec 19 - Estates Board	(0.161)	(0.161)
Force wide 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		To be removed at Budget Setting	(0.500)	(0.500)
Vacancy Factor increase from 7% to 9% (in year)	TBA	(1.303)	(1.303)	0.000		Agreed at COG Budget Workshop 20th Nov 19	0.000	0.000
Police Officer & Staff Overtime - Bank Holiday	TBA	(0.128)	(0.128)	0.000		To be removed at Budget Setting	(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)
Specials lower running costs	TBA	(0.053)	(0.053)	0.000		Non-Pay to be removed at Budget Setting	(0.053)	(0.053)
Additional Force Wide Non-Pay	TBA	(0.223)	(0.223)	0.000		Non-Pay to be removed at Budget Setting	(0.223)	(0.223)
Income Generation	TBA	(0.135)	(0.135)	0.000		Non-Pay to be removed at Budget Setting	(0.135)	(0.135)
FSCL - Nonpay	TBA	(0.010)	(0.010)	0.000		Non-Pay to be removed at Budget Setting	(0.010)	(0.010)
Custody Review	TBA	(0.159)	(0.159)	0.000		Confirmed at COG 4th Dec	(0.318)	(0.318)
Criminal Justice Command	TBA	(0.049)	(0.049)	0.000		COG paper produced on 18th Dec - File Quality Improvement Plan/Change in PNC reduced savings. Business Case to E&SB 20th Jan 2020	(0.099)	(0.099)
OPC	TBA	(0.149)	(0.149)	0.000		Confirmed at COG 4th Dec	(0.149)	(0.149)
Contact Management	TBA	(0.135)	(0.135)	0.000		Confirmed at COG 4th Dec	(0.135)	(0.135)
Strategic Change Directorate	TBA	(0.105)	(0.105)	0.000		Confirmed at COG 4th Dec	(0.105)	(0.105)
LPA's	TBA	(0.094)	(0.094)	0.000		Savings agreed E&SB 09.12.19, Business Case to SCCB - 21 Feb 2020	(0.187)	(0.187)
Legal	TBA	(0.016)	(0.016)	0.000		Confirmed at COG 4th Dec	(0.016)	(0.016)
Support Services Directorate Total	TBA	(1.910)	(1.910)	0.000		Mainly Non-Pay to be removed at Budget Setting	(1.910)	(1.910)
SCD	TBA	(0.402)	(0.402)	0.000		Confirmed at COG - August 19	(0.402)	(0.402)
CASHABLE SAVINGS	0.000	(5.833)	(5.833)	0.000			(4.832)	(4.832)
Flex Pattern	TBA	(0.998)	(0.998)	0.000		Confirmed at E&SB 09.12.19	(0.998)	(0.998)
BWV - savings realised from 19/20	TBA	(1.122)	(1.122)	0.000		BWV PIR concluded and reported to P&RS Board - Dec 19.	(1.122)	(1.122)
Vital Signs	TBA	(0.040)	(0.040)	0.000		Updated by Ed Wells - 18.12.19	(0.040)	(0.040)
Single Online Home	TBA	(0.060)	(0.060)	0.000		Confirmed at E&SB 09.12.19	(0.060)	(0.060)
O365	TBA	0.000	0.000	0.000		To be confirmed following 19 Feb O365 Board	0.000	0.000
Telematics	TBA	0.000	0.000	0.000		System now live and is enabling effective Fleet Management. Quantification of non-cashable savings in development	0.000	0.000
NON CASHABLE SAVINGS	0.000	(2.220)	(2.220)	0.000			(2.220)	(2.220)
Technical inter-year adjustments								0.000
TOTAL PFCC Savings	0.000	(8.053)	(8.053)	0.000			(7.052)	(7.052)
Other Savings	0.000	0.000	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)	1.278					0.277	