

POLICE AND CRIME COMMISSIONER FOR LEICESTERSHIRE

POLICE AND CRIME PANEL

Report of	OFFICE OF THE POLICE AND CRIME COMMISSIONER
Subject	EFFICIENCY SAVINGS 2023-24
Date	9 OCTOBER 2023
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Purpose of Report

1. This report outlines the approach taken to address the in-year budget gap of £3.9 million and the in-year savings that will be achieved.

Background

2. On the 2nd February 2023 the proposed precept 2023-24 and Medium Term Financial Plan (MTFP) report was presented to the Police and Crime Panel. As part of the budget proposals the Commissioner agreed with the Chief Constable an efficiency savings target of £3.9m, which was included within the MTFP in order to close the gap.

Recommendation

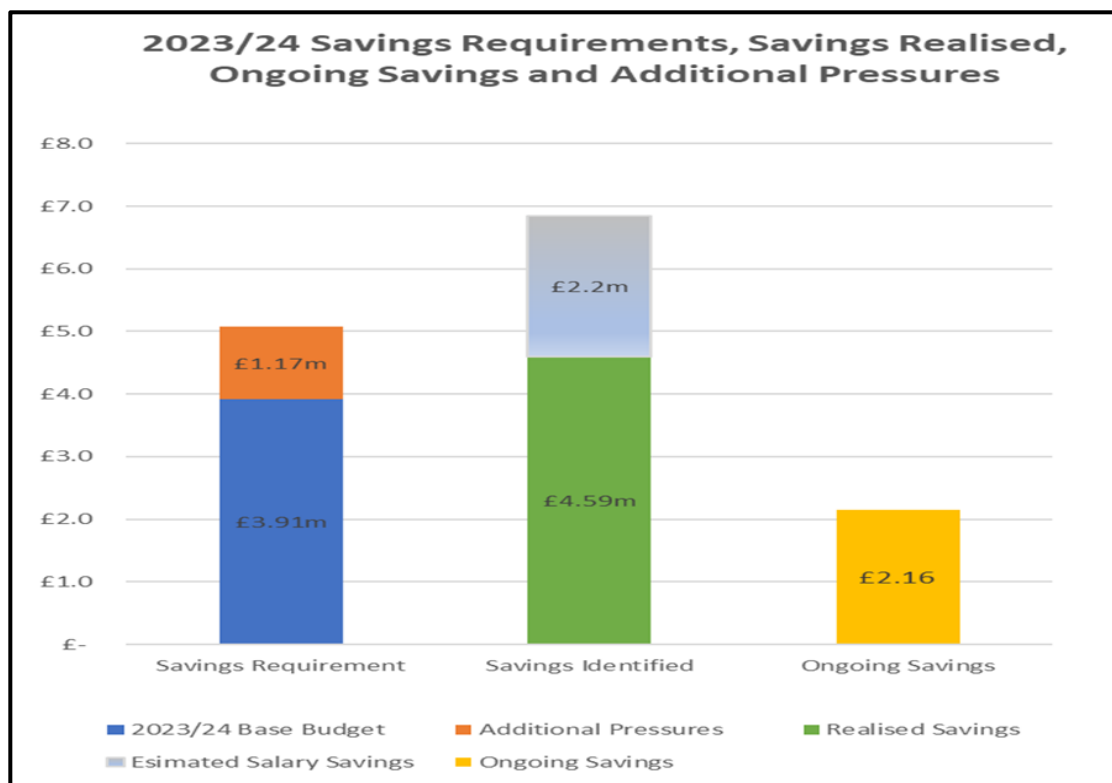
3. It is recommended that the Panel note the contents of the report.

Approach

4. The approach focuses on the in-year savings and the transformation required to deliver sustainable efficiencies and service improvements to overcome the medium-term budget gap.
5. The Force have established an Innovation, Demand, Efficiency and Productivity Board and have introduced a subsidiary Strategic Vacancy management Board chaired by the Deputy Chief Constable and attended by the OPCC, to provide strategic governance to the in-year savings requirement and the broader force transformation programme.
6. The in-year savings need to be cashable. This will be achieved through identifying and delivering in year cashable savings, aligning all established police officer posts to maintain the PCC commitment of 2,242 officers and through delivering an overall 8% vacancy rate for police staff.
7. The Strategic Vacancy Management Board manages all force vacancies. The £3.9m savings requirements will largely come from police staff, with a challenge that police staff vacancies are often in business critical roles where an establishment vacancy factor has already been applied. It is recognised that police staff bring add real value to the police service and the intention, at this time, is not to use redundancy as a method to deliver the in-year savings.

8. The strategic intention is to reduce the police staff establishment by up to 8% within the current financial year. That said some areas will need to grow and others will shrink by more than 8%. To do this there is a requirement to reduce demand and re-engineer processes to absorb the reduction. This broader workforce remodelling is contained within the transformation in the short term.
9. The Strategic vacancy management approach will be informed by the Force Management Statement, the financial position, the Police and Crime Plan and Service Standards. The 8% has not been applied carte blanche, but in an informed manner where some areas will require investment, some will need higher vacancy rates and others lower based on the force assessment and current establishment position. The Strategic Vacancy Board will identify the vacancies, track the financial costs and decide the pace of recruitment or holding of vacancies across the force. It is anticipated this informed approach will provide the in-year savings, whilst ensuring the impact and risks are managed to the service, the organisation, and the staff.
10. The Force and OPCC recognises this is not a sustainable solution but a necessary step whilst the broader work is completed.
11. A number of savings have already been realised from non-pay budgets and further work is being undertaken to identify further efficiencies.
12. The Transformation programme (Op Forefront) will support the organisation to shrink further to achieve the future sustainable saving requirements. It will also integrate any bespoke reviews commissioned to identify the risks and consequences where a team or department retain additional vacancies or to identify opportunities regarding the role and service the team offers in the future.

Savings Progress



13. To date £4.6m of savings have been realised, with a further £2.2m of potential savings from staff salaries. These savings are offset by pressures of £1.2m for the costs of Op Sycamore. Of the £4.6m identified, £2.16m are ongoing savings for 2024/25 and beyond.
14. The Police Officer pay award of 7% has been agreed from the 1st September 2023. It has been confirmed that police staff will be awarded the same as officers. The Home Office have confirmed funding in 2023/24 of £4.9m. This is not sufficient to cover the additional costs of the pay award resulting in a shortfall of £867k. This can be funded from efficiency savings already generated and there is currently no requirement to draw down from the BER.
15. Savings realised include the following:
 - a. Savings on Regional Collaborations;
 - b. National IT systems lower than anticipated;
 - c. Savings from vacancy management;
 - d. Increased Investment Income due to increased interest rates;
 - e. Savings on utilities and fuel;
 - f. Savings on national IT systems;
 - g. Reduced Body Armour costs;
16. To date the OPCC has identified savings of £21k relating to attendance allowances. However, the OPCC will also have additional pressures as a result of the pay award. The OPCC has generated additional income of £3.3m for 2023/24.
17. Further work is being undertaken over the next 6 months to identify further savings for both the Force and the OPCC for 2023/24.

Op Forefront

18. The Force is currently undertaking a transformation programme, Op Forefront.
19. The purpose of the transformation programme is to:
 - a. Give clarity about what Leicestershire Police deals with (and doesn't) – the core police role
 - b. Set standards for service and delivery, with a clear public commitment
 - c. Prioritise a quality service to the public and invests in enhancing local supervision and leadership
 - d. Improve how work passes through the organisation, reducing cost, enhancing efficiency, productivity and delivering best value to the public
 - e. Move resource and focus to deal with demand and deliver better service earlier
 - f. Free up frontline space and time to concentrate on quality service, high standards and good supervision
 - g. Build on the Neighbourhood Policing model, deliver on East Leicester recommendations and strengthen local problem solving
 - h. Simplify governance and deliver the required efficiency savings
 - i. Enable clear communication, engagement and involvement of our staff to develop the transformation

Future Outlook

20. The future financial picture identifies that the in-year savings approach is not sustainable in isolation, and based on the current financial predictions will need to shrink as an organisation. The approach of “slicing” the budgets to achieve this has been done in the past and will not enable the force to deliver the service that will build public trust and confidence.
21. Savings will need to be achieved by managing the establishment and reducing spend on payroll costs. However, many key staff roles will need to be retained, as without the activity the force cannot offer an effective public service.
22. The future budget gap will be achieved through the ambitious Transformation Programme that will deliver the sustainable savings, whilst improving Trust and Confidence of the service.

Implications

Financial: Detailed in report
Legal: None
Equality Impact Assessment: None
Risks and Impact: None
Link to Police and Crime Plan: See report
Communications: None

Background Papers

Proposed Precept 2023/24, Leicestershire Police & Crime Panel, 1st February 2023

Person to Contact

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