

<b>For Information</b>	
<b>Public</b>	
<b>Report to:</b>	<b>Police and Crime Panel</b>
<b>Date of Meeting:</b>	
<b>Report of:</b>	<b>Police and Crime Commissioner</b>
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<b>Agenda Item:</b>	<b>13</b>

## **DELIVERING THE FUTURE**

### **1. Purpose of the Report**

- 1.1 This report provides an update on the progress of the Delivering the Future Programme, with particular reference to the efficiencies being delivered in 2016/17.

### **2. Recommendations**

- 2.1 That the Police Crime Panel notes the contents of the report.

### **3. Reasons for Recommendations**

#### **3.1 Delivering the Future**

The Delivering the Future programme is a complex change programme containing a number of work streams that are planning the delivery of modern, effective and efficient policing service within a balanced budget.

### **4. Summary of Key Points (this should include background information and options appraisal if applicable)**

- 4.1 Total funding for Nottinghamshire Police in the year 2016/2017 is £190,166,416.

A bottom up budget was calculated in Sept/Oct 2015, the cost for policing was identified as £202,178,274.

Therefore a £12.0m efficiency plan was required to reduce spend in line with the 2016/17 budget. A plan was developed and approved during autumn 2015.

4.2 The efficiency plan consists of:

Description	Total £'000
<b>Efficiency Plan</b>	
IS Efficiencies	(115)
Estate Efficiencies	(182)
NICHE system saving	(506)
MFSS Legacy Commitment Reduction	(55)
Revised MRP calculation 2015/16	(1,062)
Cost recovery and cost reduction	(175)
Overtime - Officers	(200)
Overtime - Staff	(50)
HR efficiencies	(24)
Fleet efficiencies	(162)
Procurement	(387)
Reductions of Acting/Temporary Posts	(500)
	(3,418)
<b>Major Staff Restructures</b>	
Officer/Staff movement in line with DTF	(5,094)
VR, DTF and shift review	(3,500)
	(8,594)
	(12,012)

4.3 The efficiency plan is now in delivery phase and is tracked against the revised budget projections with monthly progress reports provided to Delivering the future board, Force transformation Board and Monthly budget meeting between the OPCC and CC. Any slippage is to be notified as soon as it is identified to the weekly meetings of the PCC and CC.

4.4 The Delivering the future programme has been undertaking work to determine how the organisation will operate with reducing numbers of Police officers and Police staff and maintain and improve positive service outcomes. The capacity work stream of the programme looks to ensure the Force understands:

- The workforce as it now and how it will be until 2020
- How to match resources to the demands we face
- Explore current systems and processes identifying how to make them lean, effective, and release capacity for the force
- Make best use of technology to provide capacity to the force

- 4.5 Whilst operating in a period of austerity has been and continues to be challenging the force's audited crime performance figures for the 12 months to April 2016 shows a reduction in recorded crime. Satisfaction amongst victims of crimes has remained significantly higher than comparable forces. The force is committed to providing increasing positive service outcomes whilst operating in an environment of reducing budgets.

#### 4.6 **Q1 2016/2017 progress against the efficiency plan.**

##### 4.6.1 **Reduction of Police officers and Police staff**

Current establishment of Police officers and Police staff as at 30<sup>th</sup> April 2016 is shown in the table below.

Our budgeted establishment for Police officers was 1,923 FTE at 30<sup>th</sup> April 2016. The actual position is a variance of -33.5 FTE.

A similar position is reported in terms of PCSOs with a budget establishment of 237.9 FTE but an actual variance of -23.8 FTE.

Our Police staff position also reflects a fall from our budgeted establishment with a variance of -166.2FTE.

In the month of April pay efficiencies within Officers, Staff and PCSOs have been met and due to a current higher than budgeted rate of natural leavers means it has been over achieved by £54,000.

	Police Officers		Police Staff			
	Substantive Actual FTE	Externally Funded Actual FTE	Substantive Actual FTE	Budgeted Establishment	Variance to Establishment	Externally Funded Actual FTE
Local Policing						
City	652	22	125	149	(24)	
County	563	4	168	177	(8)	41
Contact Management	39		265	285	(21)	
	<b>1,253</b>	<b>26</b>	<b>558</b>	<b>611</b>	<b>(53)</b>	<b>41</b>
Specialist Services						
Crime & Intelligence	152	2	151	169	(17)	
Public Protection	175	1	36	37	(1)	
Crime & Justice	53		181	212	(30)	
EMOpSS	135	1	17	19	(3)	
Regional	79	35	24	29	(5)	2
	<b>594</b>	<b>39</b>	<b>409</b>	<b>466</b>	<b>(57)</b>	<b>2</b>
Command	3		4	6	(2)	
Corporate Services	39		276	355	(79)	14
	<b>1,889</b>	<b>64</b>	<b>1,247</b>	<b>1,437</b>	<b>(190)</b>	<b>57</b>
Budgeted Establishment (30 April 2016)	<b>1,923</b>		PCSO (included within Staff)			
Variance to budgeted establishment	<b>(33.5)</b>		City	89	103.5	(15.0)
			County	126	134.4	(8.8)
				<b>214</b>	<b>237.9</b>	<b>(23.8)</b>
						-

#### 4.6.2 Voluntary Redundancy

A total of 54 people, to date, have had VR agreed and a leaving date set. These posts will be permanently deleted from the establishment. The total efficiencies net of redundancy payments for 2016/2017 is £1.19m.

### Voluntary Redundancy

	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>Total</u>
Phase 1 Costs of Redundancy	742,504.08			742,504.08
Phase 1 Salary Savings	(16,803.73)	(1,132,350.69)		(1,149,154.42)
Phase 2 Costs of Redundancy		168,981.41		168,981.41
Phase 2 Salary Savings		(226,520.45)	(157,967.75)	(384,488.20)
	725,700.35	(1,189,889.73)	(157,967.75)	(622,157.13)

#### 4.6.3 Restructure of Enabling Services

Business cases developed in autumn 2015 are now in delivery phase. The HR1 form and S188 letters that form the basis of the legal notification to the Government and Staff associations gave notification of the potential of 211 Police Staff being within scope of the Phase 1 Business Cases.

From this pool, 88 Police Staff have been identified as being potentially 'at risk' of redundancy. Further examination shows of this 88, 63 are clerical staff, 20 professional staff grade and 5 managerial staff grade.

#### 4.6.4 Reduction in Police officer acting ranks

A reduction in the number of Policing acting ranks was projected to provide an efficiency saving of £500,000. This projection has now been adjusted downwards to £425,000 to take into account the slower than anticipated release of acting ranks within the City BCU. This risk is currently being absorbed within the overall pay efficiencies being greater than expected but further modelling is ongoing to identify where further reductions in acting can be made to mitigate this downward adjustment and realise the full year saving as expected.

#### 4.6.5 Overtime reductions

Overtime spend remains on track to provide a £250,000 efficiency saving for 2016/2017. Additionally, implementation of new shift patterns within contact management is underway and proposals around Force response shift patterns are being explored and reviewed.

#### 4.6.6 Minimum Revenue Provision revision

The Minimum revenue provision (MRP) in relation to capital expenditure has been revised to provide a prudent provision in line with the national legislation and guidance to deliver £1,062,000 efficiency against the 2016/2017 budget.

#### 4.6.7 Non-pay cost efficiencies

These are projected to provide £1,719,857 of savings in 2016/17.

£387,000 of this target is in relation to savings being made by East Midlands Strategic Commercial Unit (EMSCU) predominantly through contract savings.

By 17<sup>th</sup> May 2016 EMSCU had realised £53,000 of these efficiencies.

A review of the EMSCU contract efficiency plan has been undertaken and a result the remaining £334,000 has been placed at risk of non-delivery. EMSCU will be reporting each month to the Force Transformation Board by exception to provide continuous detail on how this will be achieved.

<b>5. Financial Implications and Budget Provision</b>
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5.1 The revised budget and efficiency projections discussed above raise a risk of £409,000 variance between budget and efficiency plan made up from:

- £75,000 Acting rank reductions
- £334,000 Non pay cost efficiencies

The contingencies put in place to mitigate the variance and provide a balanced budget for 2016/2017 are:

5.2 Exploiting the leaving rate of Police officers and PCSOs below budgeted forecasts to provide additional financial efficiency. Based upon April payroll data we are meeting the required pay savings and even exceeding this by £54,000. This increased pay saving projected over 2016/17 will provide efficiency of £648,000

5.3 A re-basing of the payroll budget is currently being undertaken to bring forward the original budget assumptions to the current day in light of the higher than normal natural leavers that are currently occurring within the Force to identify if there are any further financial upside available.

5.4 EMSCU are currently conducting benchmarking exercises for two large suppliers, looking at a tendering process for a contract that is due to be cancelled soon as well as targeting £100,000+ contracts with a view to securing a better cost and provision for the force. Whilst this is flagged as a

risk in this report they still assure the Chief Officer Team and the OPCC that this target will still be delivered in 2016/17.

- 5.5 Restructures of remaining departments are being invoked to deliver the remaining savings to ensure a balanced budget in the event of the risks identified above continuing through 2016/17.

## **6. Human Resources Implications**

- 6.1 The Delivering the Future Programme includes far reaching and transformational change that has both required and will continue to benefit from close HR involvement through the development of both the people plan as well as ongoing programme and project support.

## **7. Equality Implications**

- 7.1 The Delivering the Future Programme is predicated on continuing to provide a high quality and responsive service to each citizen. This includes ensuring that vulnerable groups in particular have a straightforward and appropriate access to services.
- 7.2 All restructures and projects involving staff, including area restructures and the force wide voluntary redundancy programme, follow the agreed management of change policy which ensures transparency and fairness and the completion of equality impact assessments.

## **8. Risk Management**

- 8.1 A programme risk log continues to be maintained for the DtF Project that is discussed and mitigated at both DtF and Transformation programme Boards
- 8.2 The high scoring programme risks, as in previous reports to this panel continue to focus around affordability and meeting the budgetary challenges. However, as per this report the risks being mitigated against are under control.

## **9. Policy Implications and links to the Police and Crime Plan Priorities**

- 9.1 The Delivering the Future programme ensures that future plans support the commissioners seven strategic themes.

## **10. Changes in Legislation or other Legal Considerations**

- 10.1 Not applicable – all elements of the DtF Programme are compliant.

## **11. Details of outcome of consultation**

- 11.1 Not applicable

<b>12. Appendices</b>
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12.1 Not applicable

<b>13. Background Papers (relevant for Police and Crime Panel Only)</b>
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13. None