

POLICE & CRIME COMMISSIONER FOR LEICESTERSHIRE

POLICE & CRIME PANEL

PAPER MARKED

Report of	POLICE AND CRIME COMMISSIONER
Date	MONDAY 23 RD MARCH AT 1:00pm
Subject	FORCE CHANGE PROGRAMME UPDATE
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Purpose of Report

1. This report is a standing item, which relates to Police and Crime Plan Strategic Priority 18:

“With staff and partners, transform the way we protect our communities and deliver over £20m in revenue savings by 2016/2017”.

2. This report seeks to update the Police and Crime Panel on the progress of the Change Programme since the reports to the December 2014 and January 2015 Police and Crime Panel meetings and highlights the Police and Crime Commissioner’s role in holding the Chief Constable to account in delivery of the programme and the Police and Crime Plan priority.

Recommendation

3. It is recommended that the Police and Crime Panel note the contents of the report and recognise the progress made since the last meeting.

Background

4. The Change Programme includes ‘business as usual’ transactional changes, together with a new operational policing model which will deliver transformational changes. The changes intended to transform services have been developed under the internal heading of Project Edison.
5. The current Medium Term Financial Plan (MTFP) is updated on a regular basis to reflect changing assumptions.
6. The MTFP was revised as part of the 2015/16 budget setting process to reflect the impact of top slicing on police funding and the implementation of the new operating model (Project Edison). The total estimated saving of Project Edison is £10.25m, which is being realised between 2014/15 and 2017/18.

7. Based on the above, after realised and planned savings, the residual funding gap currently identified in the MTFP is:
- | | |
|---------|-------|
| 2015/16 | £1.7M |
| 2016/17 | £6.1M |
8. The January 2015 MTFFS shows the significant progress made by the Force in meeting the challenge in closing the £20m funding gap identified previously. Due to top slicing in grant and the additional cost from the changes in Employers NI, the total funding gap has increased further and there remains a residual funding gap of £1.7m in 2015/16 and £6.1m in 2016/17 (the latter includes £2.1m of savings required in police officer costs that cannot be realised until 2017/18 due to police officer attrition rates).
9. The most significant impact on the 2016/17 funding gap increase is the change to Employers National Insurance contributions, which are estimated at £2.1m.
10. Of the remaining £4m (£6.1m less £2.1m planned savings in police officer costs) required for 2016/17, the Force has identified a number of areas which it is progressing to close the funding gap.

Scrutiny and Assurance

11. The PCC holds the force to account on the Change Programme by ensuring questions and challenges are made which includes seeking assurances in the following ways:
- Full discussions take place when appropriate at the Strategic Assurance Board which is held monthly, chaired by the PCC and attended by members of the OPCC and the Chief Constable and his Chief Officer Team.
 - A member of the OPCC attends both the Change Board agenda setting meeting (chaired by the Deputy Chief Constable) and the Change Board, which is held monthly, attended by key staff within the force to ensure full discussion on the progress of the programme, the impact of changes and oversight of risks and which is also chaired by the Deputy Chief Constable.
 - The PCC and members of the OPCC join the Chief Constable and his Chief Officer Team on a weekly basis to discuss timely issues and updates and in recent weeks these have included updates on the next stages of Edison and how the planning and implementation of these is taking place. In addition, future and past meetings with key stakeholders regarding the change programme are highlighted and information and assurances sought and provided. Recent discussions have included key milestones such as shift patterns and officer placements across the force area.
 - At the regular 1 to 1 meeting with the Chief Constable, the PCC seeks assurances on key aspects of Edison which include key updates on the work of the Change Board.
 - These meetings are supplemented by regular discussions between the Chief Executive and Deputy Chief Constable (as well as the Chief Finance

Officer and Force Finance Director), to ensure good communication across and between the two offices.

- There is a structured process in place to ensure that savings and costs of the Change Programme are captured and fed through into the budget monitoring and the Medium Term Financial Plan when they have been finalised and agreed. This information is shared and discussed with the OPCC, and ultimately via the Change Board and is appropriately challenged and scrutinised.

12. The PCC also reviews external reports and reviews of the force, to gain assurance and monitor progress, namely:

- a) HMIC Valuing the Police**
- b) Internal Audit of the Force Change Programme**
- c) Value for Money (VFM) Profiles**

All of which have been explained in more detail at previous meetings.

13. More recently, an Internal Audit has been undertaken on the Change Programme and the Chief Finance Officer in the OPCC was also interviewed to inform the audit fieldwork in respect of how the PCC holds the Chief Constable to account on the delivery of the Change Programme.

14. Early indications from the Internal Audit are that good progress has continued to be made and key aspects from the final report, when available and considered by the Joint Audit Risk and Assurance Panel (JARAP) will be updated to the Police and Crime Panel in due course.

Update on Key Activities

15. The new model to deliver local policing across Leicester, Leicestershire and Rutland was implemented at the beginning of February. This new model is intended to deliver effective services in line with the aims of the Police and Crime Plan while delivering in excess of £10M p.a. savings. A key element of the new policing model is continued commitment and focus upon neighbourhood policing delivered by dedicated local teams.

16. The early indications are that the model is embedding as expected. The Police and Crime Commissioner has undertaken a number of visits around the Force to meet with officers and staff delivering services under the new model.

17. In preparation for further phases of the Change Programme, the Force has commenced an exercise to receive views from the public and stakeholders about their preferences and priorities to help determine the future demand and requirements of the force. The public and stakeholders have been invited to complete a short questionnaire to give their views on how policing services in the future should be delivered. At the end of February, nearly 1000 responses had been received.

18. Work has commenced within the auspices of the Strategic Partnership Board to ensure that local partnerships continue to develop effectively. In January

2015 a Strategic Partnership Review was undertaken which found a strong commitment to working in partnership amongst all agencies and a willingness amongst strategic leaders to work together differently.

19. The review has led to a number of findings and recommendations and following on from this work is now underway to develop how partnerships in Leicester, Leicestershire and Rutland deliver within a revitalised partnership framework including clear working arrangements and priorities.

Timelines

20. The force is now actively planning for the next phase of change, with detailed plans being prepared by the end of June 2015 which will set out further savings plans for 2016/17 and beyond.
21. Those plans will include the areas highlighted in the Police and Crime Commissioner's Precept Report to the Police and Crime Panel in January 2015 and highlights a number of areas for review, particularly the £2.5M to complement the Force Change Programme. This includes identifying further savings from back and middle-office through a planned Output Based Budgeting exercise which offers a structured approach to matching resources to demand and desired service levels. This exercise will take place in the new financial year.
22. In parallel with this work the Force continues to work towards a new Target Operating Model including the continued development of regional collaboration and other partnership development.

Implications

Financial :	No new financial implications.
Legal :	None.
Equality Impact Assessment :	Discussed within report.
Risks and Impact :	This report covers a programme of work which carries a large risk for the organisation and the delivery of the Police and Crime Plan. This is recognised within the Change Programme and reflected through the governance arrangements.
Link to Police and Crime Plan :	Discussed within report.

List of Appendices

None

Background Papers

HMIC Valuing the Police 4 July 2014
HMIC Value for Money Profile 2014
JARAP Annual Report 2013/14

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