

POLICE & CRIME COMMISSIONER FOR LEICESTERSHIRE POLICE & CRIME PANEL

PAPER MARKED

Report of	POLICE AND CRIME COMMISSIONER
Date	WEDNESDAY - 17th DECEMBER 2014
Subject	FORCE CHANGE PROGRAMME UPDATE
Author	CHIEF FINANCE OFFICER

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 report to the September 2014 Police and Crime Panel meeting and 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 originally highlighted a shortfall of £23M which needed to be reduced from the baseline budget permanently by 2016/17. The MTFP identified these year on year reductions between the years 2013/14 to 2016/17 (£34m over the full period of the spending review).

7. As at the end of September 2014, against the original estimate of savings required between the years 2013/14 to 2016/17, savings of £17.3M have been realised, planned or are nearing completion, including from the new operational policing model. At this time, only £5.7m of savings remained to be identified and realised from the original savings estimate.
8. Work is already underway to update the MTFP in light of the potential funding settlement for 2015/16 and it is likely this will affect the level of savings required.
9. In line with the original estimate, the Force is currently preparing proposals to achieve the balance of the savings required above and has advised the PCC that these proposals (which are being scoped for feasibility and impact on the delivery of the Police and Crime Plan) will be considered by the force by the end of 2014.

Scrutiny and Assurance

10. 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.

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

- a) **HMIC Valuing the Police** – as advised to the Panel in September 2014, the fourth annual inspection reported in July 2014 and graded the force as ‘good’ in all four aspects of the inspection and reported the following:

‘Leicestershire Police has made good progress in its response to the spending review challenge, and continues to develop its plans to address further cost reductions in the future while protecting its communities.’

- b) **Internal Audit of the Force Change Programme** – as advised to the Panel in September 2014, the most recent audit report in April 2014 carried out by Baker Tilly Risk Advisory Services was reported to the Joint Audit Risk and Assurance Panel (who monitor all Internal and External Audits of the OPCC and the Force) and found the following:

‘Taking account of the issues identified, the Office of the Police and Crime Commissioner for Leicestershire and Leicestershire Police can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.’

However, some issues were identified which if not addressed would increase the likelihood of risk materialising in this area and a number of recommendations were made to the force to further develop the controls and assurances. One medium level recommendation, 6 low level recommendations and no high level recommendations were received.

These recommendations are monitored, together with all outstanding audit recommendations by the OPCC, but also by the independent Joint Audit Risk and Assurance Panel (JARAP) at each meeting.

It is important to note that the medium recommendation noted above was implemented quickly and related to securing appropriate and sufficient resource to deliver the Change Programme.

In addition, a further review will be undertaken by the auditors, scheduled for February 2015 which will also cover an assessment of the implementation of all outstanding recommendations. Whilst the auditors do not review low level recommendations, the force and the OPCC do monitor them and update the JARAP as required.

The annual report of the JARAP is highlighted as Background Papers below and is available to the Panel on request or is available online on the OPCC website.

c) Value for Money (VFM) Profiles

The HMIC's annual Value for Money (VFM) profiles can be used to review and highlight where resources are prioritised and to help inform discussion between the PCC and the force by exploring areas of divergence from the national and MSF peers (Most Similar Forces).

The HMIC profiles were recently issued and the information provided does support the direction of the Change Programme and the work of Project Edison with the profiles highlighting that Leicestershire do spend higher at 73.3% on operational frontline staff than either nationally or the MSG average (70.9% and 72.1% respectively) with more Police Officers per 1000 population and more spent on local policing than any other in our most similar group (MSG).

Update on Key Activities

12. The PCC has sought assurance from the force in respect of the communication with partners and the workshops and meetings they have undertaken in respect of the Change Programme. Over 37 meetings have now taken place with key stakeholders, prior to and following the September Police and Crime Panel.
13. Stakeholder meetings have included district, borough, county and city councils in respect of the Change Programme, together with separate updates to the independent members of the Police and Crime Panel.

Furthermore, the Force have met with other key stakeholder public sector, voluntary and Community groups in Leicester, Leicestershire and Rutland including Joint Action Groups (JAG's). The PCC has sought assurance from the force that the engagement and communication will continue where needed.

Timelines

14. The new target operating model will be implemented within this financial year, the timeline for implementation has been presented to the Change Board on 25th September 2014. Most change activity is planned during January and February 2015 although improved ways of working have been introduced already into the Force to establish new processes and to start to change culture.
15. Key achievements so far include revised staff shift patterns (which have been agreed) and officer placements have now been completed. PCSOs will remain where they are currently stationed.
16. The force have advised that communication will continue with the public around how services will change, what they can expect and how services will be more responsive to their needs. These will also reinforce important information such as who their local beat team and local inspector are and how they can make contact with the force. A communication and engagement plan has now been prepared to implement this important aspect of the Change Programme.

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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