

ORIGINATOR: CHIEF CONSTABLE

DECISION NUMBER: 31-2014

REASON FOR SUBMISSION: FOR DECISION

SUBMITTED TO: POLICE AND CRIME COMMISSIONER

**SUBJECT: SUFFOLK CONSTABULARY COMPREHENSIVE SPENDING REVIEW:
POSITION PAPER**

SUMMARY:

This report sets out Suffolk Constabulary's funding deficit as a consequence of the 2013 Comprehensive Spending Review and outlines the plan of how the savings to meet that deficit will be achieved.

RECOMMENDATION:

The Police and Crime Commissioner is asked to consider and endorse the Chief Constable's change programme and savings proposals to deliver £16.351m savings in the period ending 31/03/18.

APPROVAL BY: PCC

The recommendation set out above is agreed.

Signature



Date

29/09/2014

DETAIL OF THE SUBMISSION

1. KEY ISSUES FOR CONSIDERATION:

The attached report sets out the Suffolk Constabulary's funding deficit as a consequence of the 2013 Comprehensive Spending Review and outlines the plan of how the savings to meet that deficit will be achieved.

The Police and Crime Commissioner is asked to consider and endorse the Chief Constable's change programme and savings proposals to deliver £16.351m savings in the period ending 31/03/18.

2. FINANCIAL IMPLICATIONS:

All costs and savings will continue to be refined throughout the course of the change programme and reported through the existing Police and Crime Commissioner's medium term financial planning arrangements.

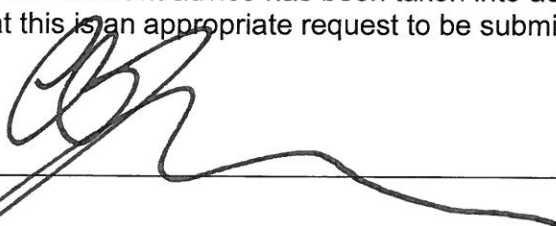
3. OTHER IMPLICATIONS AND RISKS:

Equality and Diversity: The change programme will include the development of an equality impact assessment.

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	No
Has the PCC's Chief Finance Officer been consulted?	Yes
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	Yes
Have human resource implications been considered?	Yes
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Yes
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	Yes
Has communications advice been sought on areas of likely media interest and how they might be managed?	Yes
Have all relevant ethical factors been taken into consideration in developing this submission?	Yes

In relation to the above, please ensure that all relevant issues have been highlighted in the 'other implications and risks' section of the submission.

APPROVAL TO SUBMIT TO THE DECISION-MAKER

Chief Executive	
I am satisfied that relevant advice has been taken into account in the preparation of the report and that this is an appropriate request to be submitted to the PCC.	
Signature: 	Date <i>29 September 2014</i>



SUFFOLK CONSTABULARY
COMPREHENSIVE SPENDING REVIEW
POSITION PAPER

September 2014

**SUFFOLK CONSTABULARY COMPREHENSIVE SPENDING REVIEW (CSR) POSITION PAPER:
SEPTEMBER 2014**

This report sets out Suffolk Constabulary’s funding deficit as a consequence of the 2013 Comprehensive Spending Review and outlines the plan of how the savings to meet that deficit will be achieved.

1. EXECUTIVE SUMMARY

- 1.1 In October 2010, the Government announced, as part of the Comprehensive Spending Review (CSR1), that central funding to the Police Service in England and Wales would reduce by 20% in the period between March 2011 and March 2014. By the end of March 2014, Suffolk Constabulary had delivered the savings of £16.7m.
- 1.2 In response to the most recent Comprehensive Spending Review in 2013 (CSR2), Suffolk Constabulary identified a further funding deficit of £16.351m for the four year period from 1/3/14 to 31/3/18 see Appendix 1 (page 10).
- 1.3 Two distinct programmes have now been established to deliver the required savings; the Norfolk and Suffolk Change Programme and the Suffolk Only Change Portfolio.

Table 1: highlights savings to be found within each programme.

	Saving 2014/2018 £m
Deficit identified in the Medium Term Financial Plan (MTFP) Feb 2014	16.351
Savings from Norfolk and Suffolk Change Programme	
Justice Services	1.045
Protective Services	0.710
Business Support	1.693
	12.903
Savings from Suffolk Only Change Portfolio	
Targeted Change Options Phase 1	2.354
Suffolk Local Policing Review Phase 1	3.780
Remaining deficit	6.769*

***The remaining deficit will be found through:-**

- Targeted Change Options Phase 2
- Suffolk Local Policing Review Phase 2
- Suffolk Partnership change
- Further collaboration

- 1.4 The Norfolk and Suffolk Change Programme involves extensive police collaboration with Norfolk Constabulary and the Eastern Region. With the exception of County Policing Command, (Local Policing Response: Safer Neighbourhood Team, Criminal Investigation Department and Contact and Control Room) Suffolk now has joint teams with Norfolk for Justice Services, Protective Services and Business Support Services.
- 1.5 Police Collaboration will continue to develop with business cases from Norfolk and Suffolk joint teams delivering at least £3.448m over the next four years, mainly from pay budgets resulting in a reduction of c33 police officers and c59 police staff.
- 1.6 The Suffolk Only Change Portfolio will implement a range of initiatives which, when taken with the collaborative savings identified above, will help secure the ongoing financial viability of Suffolk Constabulary whilst delivering the Police and Crime Plan.
 - 1.6.1 Three projects have been established within the Suffolk Only Change Portfolio:
 - i) Targeted Change Options;
 - ii) Suffolk Local Policing Review;
 - iii) Suffolk Partnership Change.
- 1.7 In the period to 31/03/16 the Norfolk and Suffolk Change Programme and Suffolk Only Change Portfolio (Phase 1), when taken together, will deliver £6.618m savings to achieve a balanced budget. In total this will involve a reduction of 83 police officer posts, 38 police staff posts and 3 police community support officer posts.
- 1.8 In the period 1/4/16 – 31/3/18 the Norfolk and Suffolk Change Programme will deliver £1.312m. This will involve a reduction of 13 police officers and 21 police staff. Through the Suffolk Only Change Portfolio and collaboration, the Constabulary will deliver a further £6.769m savings through a radical service redesign, cost saving efficiencies and capitalising upon collaborative opportunities with our partners.
- 1.9 The Constabulary recognises the fact that financial constraints are likely to continue past the identified CSR2 period and planning will be dynamic to take account of any additional savings that are identified in future years.
- 1.10 Suffolk Constabulary has a proven track record of delivering a quality public service that is value for money and that has improved both its performance and satisfaction levels whilst accommodating significant budget cuts.

2. CONTEXT

- 2.1 Suffolk Constabulary is one of the lowest cost forces in England and Wales spending 87% (£99m) of its budget on people including 1207 full time equivalent police officers, 169 police community support officers and 913 police staff employees. The remaining 13% (14m) is spent on non-pay costs and it is therefore inevitable that with the amount of savings to be identified, the organisation will become a significantly smaller organisation.
- 2.2 In a recent HMIC publication entitled “Responding to Austerity” (July 2014), it was recognised that Suffolk Constabulary has worked hard to reduce both pay and non-pay costs and has

established a strong collaborative approach, achieving a significantly higher proportion of savings from collaboration, when compared to other police forces in England and Wales. Collaboration, both with our policing partner, Norfolk, regionally with other police forces and more broadly with the public sector will be pivotal in achieving our objectives. This collaborative approach extends to a strong commitment to work in partnership with public services in Suffolk to secure improved well-being for individuals and communities.

3. STRATEGIC DELIVERY MODEL

- 3.1 The following paragraphs outline the organisation’s future Strategic Delivery Model and gives more detail about how it intends to face the challenges posed in finding the full £16.351m of savings.
- 3.2 Neighbourhood Policing is at the core of the Constabulary’s Strategic Delivery Model which is shown below at figure 1. This approach has proven its worth in the past and it is one that will form the foundation of the future policing model for Suffolk. The Police and Crime Plan is the foundation for our daily business.



Figure 1

- 3.3 Centred on neighbourhoods and locality management, policing within Suffolk is supported through close collaborative working with other public sector service providers:-
- 3.3.1 Collaborative Operational Support - Policing and public sector operational delivery through our partnership with Norfolk Constabulary, other public sector partners such as the National Offender Management Service and Suffolk County Council. The plan is to build upon these successes to deliver more cost effective joined up services to the communities we serve.
- 3.3.2 Collaborative Support Services – Those services that support operational delivery to the communities we serve such as Human Resources, ICT, Estates, and Finance. Our vision is to develop the current collaborative approach to identify further solutions that give value for money amongst police partners and the broader public sector.

3.3.3 Regional Operational Support – Those operational services that are delivered through a collaborative approach within the Eastern Region Specialist Operations Unit. The plan is to build upon the success of this unit.

3.3.4 National Operational Support – Local policing is both supported and supports national government agencies such as the National Crime Agency and the Security Service.

4. MEETING THE CHALLENGE

The programme of change that will be undertaken by Suffolk Constabulary falls into two distinct programmes;

- i) The Norfolk and Suffolk Change Programme;
- ii) The Suffolk Only Change Portfolio.

The Change Programme Co-ordination Board (PCB) ensures that there is co-ordination between these two programmes, wider strategic alliances and also to ensure there is a strategic co-ordination of areas such as ICT and Estates.

4.1 NORFOLK AND SUFFOLK CHANGE PROGRAMME

4.1.1 The Norfolk and Suffolk Change Programme involves extensive police collaboration with Norfolk Constabulary and the Eastern Region in order to save money and increase effectiveness. This incorporates all functions with the exception of the County Policing Command (Local Policing Response: Safer Neighbourhood Teams; Criminal Investigation Department; Protecting Vulnerable People Department and the Contact and Control Room function).

4.1.2 Suffolk now has joint teams with either Norfolk or the Eastern Region Forces for;

- i) Justice Services;
- ii) Protective Services – Specialist Crime/Intelligence and Roads Policing/Firearms/Dogs and;
- iii) Business Support Services - Human Resources, Finance, Estates & Facilities, Procurement and ICT.

4.1.3 Within the Collaborative Units, the following will be undertaken;

- i) Justice Services – Review of Custody and Criminal Justice.
- ii) Protective Services; Specialist Policing- A Further review of Specialist Operations (Roads Policing, Firearms & Dogs), Forensic Services, Major Investigation Team, Serious & Organised Crime and Intelligence. Also, an Eastern Region Specialist Operations Unit (ERSOU) regional Confidential Intelligence Unit and a regional Fraud, Financial Investigation and Asset Recovery Service.

- iii) Business Support Services – Further changes within Finance, Payroll, Duties Human Resources (including Learning & Development) and Procurement & Supplies as a result of implementing the Enterprise Resource Planning (ERP) system.
- iv) Major Applications – Regional Athena solution (replacement crime and Intelligence system); joint Enterprise Resource Planning system (for HR, Duties, Finance, Procurement and Payroll); and Mobile Computer Working.

The collaborative joint change portfolios are expected to realise a minimum of £3.448m savings and involve the reduction of 33 FTE police officer posts and 59 police staff reductions over the four year period ending 2017/18. See Appendix 1 (page 10).

4.2 SUFFOLK ONLY CHANGE PORTFOLIO

- 4.2.1 The Suffolk Only Change Portfolio is being developed to identify options to contribute to the remaining deficit of £12.903m (see table 1 on page 1). With such a substantial proportion of the budget relating to pay costs, there will be a reduction in the number of people working in the organisation. This is why the work to maximise the savings from non-pay costs and also find better, more innovative ways of working is so important and is core to the portfolio's success.
- 4.2.2 The Suffolk Change Programme Board, chaired by the Deputy Chief Constable, is evaluating a range of cost saving initiatives which will secure the ongoing financial viability of Suffolk Constabulary whilst delivering the agreed Police and Crime Plan.
- 4.2.3 To achieve savings and radically transform local policing, three projects have been established. The Programme Board will ensure those savings that minimise impact upon frontline services are prioritised.

- i) **Targeted Change Options**

It is as important to find new and innovative ways of working that will allow investment in areas that will impact positively upon the services we provide to the communities of Suffolk. Recent examples of this include the PCC's successful bid to Central Government for funding to enhance our Automatic Number Plate Recognition (ANPR) system which allows 24/7 monitoring of key routes and targeted dispatch of resources against vehicles where intelligence indicates their involvement in criminality and road traffic offences. Another example is the mobile working project, which provides mobile computers allowing staff to conduct many enquiries that hitherto had necessitated their return to the police station. This will undoubtedly result in more time spent on patrol or out in the community. Making the most of these initiatives and also identifying additional innovative ways of working is at the core of our plans for the future. This work will be under-pinned by the development of recommendations following the recent review of ICT.

A number of change initiatives have the potential to reduce the savings requirement and mitigate the need to reduce front line posts from local policing have been

identified. The range and number of options are likely to increase as the change portfolio develops. These options will be prioritised based on benefits, risk, degree of difficulty and capacity within the overall change programme. Using these criteria, there will be an assessment of each option against a high, medium or low probability of achieving the saving identified. To ensure financial prudence only options assessed as 'high' will be included in the savings plan and developed into business cases for consideration. Options assessed as 'medium' or 'low' will still be included in the range of options and progressed until either raised to 'high' or discharged from the targeted change options. The Programme Board will have oversight of assessments and status of options.

The Police and Crime Commissioner's Medium Term Financial Plan (MTFP) will be updated periodically and will include projects when they meet the threshold.

a) **Phase 1**

The following two areas have been identified as having a 'high' degree of probability of achieving savings and are included within the financial savings planning assumptions;

- **Reduction in Non-Payment Budget**

A commitment to a 2.5% reduction in the £9m "variable" element of the non-pay budget and in addition absorbing 1% inflation costs, equating to savings of £1.5m applied equally across the whole organisation. These savings are expected to achieve annual savings of £500k in each of year's 2015/16, 2016/17 & 2017/18.

- **Corporate Savings**

Corporate savings relating to an 'abatement factor' - this means that the budget has been reduced to account for the expected level of vacancies during the year. The abatement factor is a 3% reduction on staff pay budgets totalling £854k.

Due to the fact there is high probability of achieving savings, these non-pay and corporate savings options have been included in the financial savings plan to reduce the funding deficit as detailed in Table 1 and Appendix 1.

b) **Phase 2 – Remaining Targeted Change Option**

The following two options are included as examples of potential savings that have not yet been included in financial plans because they are either subject to renegotiating collaborative or national agreements or are local options that are not yet sufficiently defined to give a high degree of probability that they will be achieved. Upon being determined as having a high degree of probability of being achieved they will be moved in to the financial savings

plan. Quite clearly, the more partners that are involved will make negotiation more complex and will impact upon each option's achievability.

- Cashable Savings Option – National

National Police Air Service Agreement (NPAS)

The Chief Constable and Police and Crime Commissioner have made contact with the NPAS director with a view to reducing 'operational flight hours' to a level which is commensurate with current and predicted usage. This change will require renegotiation of the national collaboration agreement and therefore adds a layer of complexity. It could achieve savings of c£440k.

This option has been assessed as 'medium' and will be included in financial plans should it be assessed as 'high.'

- Cashable Savings Options – Local

A full review of the Estate is being conducted to identify where savings can be made including work with other public sector bodies.

This will include a review of the accommodation requirements for the police headquarters function to reduce revenue and avoid significant ongoing maintenance liabilities. These options are not yet sufficiently developed to assess as a probability for realising the savings.

Further work within this area includes the development of proposals around a zero based budgeting review, and evidence based policing.

Work will continue to develop these options to reduce the deficit and the savings required from the workforce.

ii) **Suffolk Local Policing Review**

With 87% of the budget spent on people it is inevitable that local policing will be significantly smaller. However when combining this Review with Partnership Change (Section 3 below) and the exciting technical innovation; the delivery of policing functions within a joined up public service will ensure the communities of Suffolk are served well through this developing, radical change programme.

The Suffolk Local Policing Review Project Board has been established and is chaired by the Assistant Chief Constable who has responsibility for local policing. The Board has identified five initial workstreams:

- Contact and Control Room / Investigation Management Unit;
- Neighbourhood Response Teams;
- Criminal Investigation and Proactivity;

- Partnerships and Safer Neighbourhood Teams;
- Protecting Vulnerable People.

a) **Phase 1**

In the period to 31/3/16 these workstreams have identified change options which, subject to approval of business cases, will deliver £3.234m savings through the reduction of 63 police officer posts and 3 PCSO posts through natural turnover within local policing.

b) **Phase 2**

In the period 1/4/16 to 31/3/18 the review will need to achieve significant reductions in the establishment. To date, an additional 15 PCSOs have been included within the financial planning as these are achievable through natural turnover. However, further savings will need to be made which may necessarily include further PCSOs, as well as police officer, and police staff reductions.

iii) **Suffolk Partnership Change**

Initial scoping has identified a number of opportunities to work with public sector; voluntary sector and the business community to manage and reduce demand, improve efficiency and effectiveness to meet the deficit through cashable and non-cashable efficiency savings.

At the Suffolk Chief Executive Group meeting on 21/7/14, agreement was reached to 'secure improved well-being for individuals and communities leading to reduced reliance on high cost crisis interventions. This would be shaped by local demand, community safety and well-being concerns for individuals'.

This strategic ambition is underpinned by shared strategic intentions to unlock resources to reduce and manage demand through:

- The development of a common understanding of nature of repeat demand to identify stakeholders for developing a common solution;
- Assess, with partners, the effectiveness or otherwise of the current operating model including capacity, cost, risk and outcomes;
- Encourage effective joint working to intervene at the earliest opportunity to prevent reliance on high cost crisis intervention;
- Free up capacity by addressing root causes of high demand cases (people and location based);
- Development of effective systems to overcome barriers e.g. sharing information;
- Facilitate a case conference approach to achieve positive outcomes for individuals and communities;
- Through effective partnerships enhance community development.

With the range of partners involved, governance and project management will be agreed with Suffolk Public Sector Leaders and Suffolk Chief Executive Group.

Whilst Suffolk Partnership Transformational Change has the potential to realise significant savings, these are currently being developed as part of a potential new model for Suffolk public services and have not been quantified sufficiently to include in savings plans to reduce the deficit. What is certain, is that achieving a situation where there is less reliance upon high cost crisis intervention would have a significant impact upon the services provided by all agencies, including the police, and reduces the impact on service of a diminishing number of staff/officers.

It is this opportunity that, along with partners, allows us to radically alter how we provide our services that will enable the remaining savings to be driven out of the organisation, along with the continuing development of collaborative ventures with our policing partner, Norfolk and the region more broadly. Finally, the further development of the targeted change options, will enable savings to be driven out of predominantly non-pay budgets.

5. CONCLUSION

5.1 This paper outlines the journey Suffolk Constabulary will take over the next four years to identify the savings required to meet the challenge of the second Comprehensive Spending Review. The combination of work with both the Norfolk & Suffolk Change Programme and the Suffolk Only Change Portfolio (Phase 1) has already identified £9.582m towards the £16.351m required within this period. The remaining £6.769m savings will be sought within phase 2 from a combination of the following areas of change:

5.1.1 Further development of the targeted change options. Such examples illustrated include substantial savings from a reduction of the use of the police helicopter, through to development of options around the location and provision of a Headquarters function. If these two changes alone are realised to their fullest benefit savings may equate to £1m.

5.1.2 The exciting opportunities that exist within Suffolk working with our partners to reduce reliance upon high cost crisis intervention through delivery of a joint focussed service by partners. This latter option will allow us to make the staff reductions required whilst developing the services we provide to the public.

5.1.3 Further development of collaboration ventures both locally and more broadly with the region.

APPENDIX 1

Table 2:

This table sets out Suffolk Constabulary's financial deficit and workforce reductions (cumulative) from 2014/15 to 2017/18; planned savings from Norfolk and Suffolk Change Programme and Suffolk only Change Portfolio. The planned savings will be subject to refinement as business cases are developed and approved.

	2014/15	2015/16	2016/17	2017/18
	£m	£m	£m	£m
Deficit identified in MTFP Feb 2014 ⁴	2.466	6.618	12.662	16.351
Justice Services	0.387	0.737	0.941	1.045
Protective Services ¹	0.218	0.421	0.683	0.710
Business Support ²	0.515	0.978	1.421	1.693
Officer Reductions (n) (est.)	5	20	31	33
Staff Reductions (n) (est.)	10	38	59	59
	1.346	4.482	9.617	12.903
Targeted Changes	0.701	1.248	1.883	2.354
Suffolk Partnership	-	-	-	-
	0.645	3.234	7.734	10.549
SLPR Business Cases (est.) ³	0.645	3.234	3.500	3.780
CPC Police Reductions (n)	13	63	63	63
CPC Staff Reductions (n)	-	-	-	-
PCSO Reductions (n)	-	3	10	18
Remaining Deficit (Surplus)	(0)	(0)	4.234	6.769

Remaining deficit identified in year 3 and 4 will be funded through savings identified as part of radical service redesign, collaboration with other bodies' regional and local, and maximising efficiencies within collaborative units with Norfolk and through targeted change options. Planning is well underway in all work streams.

¹ Includes Joint Op

² Includes BSR, ERP and Org Support

³ Includes PCSO reductions over 4 years

⁴ The funding deficit is based upon the impact of the 4.8% decrease in the Government Grant for 2014/15 and the decision to accept the Council Tax Freeze Grant from Central Government, equivalent to a 1% precept increase and not to raise the precept.

The Constabulary's spending assumptions for the medium-term period to March 2018, included the government grant decreasing by 4% in each year with no further precept increases, pay inflation running at 1% and non-pay inflation running at an average of 2% each year.

