

**DORSET POLICE AUTHORITY – 12 FEBRUARY 2010**

**EFFICIENCY AND PRODUCTIVITY STRATEGY – MONITORING REPORT**

**REPORT BY THE CHIEF CONSTABLE**

**PURPOSE OF THE REPORT**

*To update members on the 2008/11 efficiency and productivity strategy.*

**1. INTRODUCTION**

- 1.1 As previously reported to members, Dorset Police is now half way through the three year efficiency plan for 2008/11, which is set to deliver overall efficiencies of 10.3% of Gross Revenue Expenditure (£11.274m).
- 1.2 Efficiency gains arise where there is a reduction in the cost of achieving a particular output or outcome. They occur even if the saving is reinvested into another area of the Force provided there is no loss of service.
- 1.3 Dorset Police has so far achieved efficiencies totalling £3.599m. Together with the further anticipated gains identified in the strategy, the Force has found a total of £8.347m, equal to 74% of the target for the period.
- 1.4 There is no known sanction on forces who do not achieve their target and it is the responsibility of the Police Authority to set ambitious targets and hold forces to account for delivering sufficient improvements over the three year plan.
- 1.5 Members will be aware of the Home Office White Paper on policing, 'Protecting the Public: Supporting the Police to Succeed', that was published on 2 December 2009 which proposes some specific targets for national savings in the cost of policing, including procurement and IT savings and reducing overtime expenditure. The targets were also referred to in the Chancellor's pre-budget report published on 9 December 2009. To achieve these targets, all forces will need to continue to deliver Value for Money and Police Authorities will have to publish a Value for Money statement in the next Local Policing Plan. This statement will set out any planned improvements in the efficiency and productivity of the Force. There is currently no indication from the Home Office regarding future centrally set efficiency targets for 2011/12 onwards.

**2. EFFICIENCY AND PRODUCTIVITY STRATEGY 2008/11 - PROGRESS**

- 2.1 The current position is that £8.347m of efficiencies have been identified up to the end of 2008/11 target, of which £3.599m have already been achieved.

- 2.2 The following table summarises the achieved, yet to be achieved and unidentified efficiencies required to meet our target of £11.274m. A detailed breakdown of the efficiencies is provided at Appendix A.

	<u>£000's</u>
Achieved 2008/09	3,599
Achieved / anticipated 2009/10	1,861
Anticipated savings for 2010/11	<u>2,887</u>
<b>Total identified gains</b>	<b><u>8,347</u></b>
Unidentified balance	<u>2,927</u>
<b>2008/11 Target</b>	<b><u>11,274</u></b>

- 2.3 A reassessment of the vacancy factor budget for Police Community Support Officer (PCSO) recruitment has identified further savings. PCSO recruitment is being managed through two intakes in 2009/10 to ensure effective and efficient delivery of training. However vacancies naturally occur throughout the year and cannot be filled until the next intake. The efficiency arising from the vacancy factor is classified as medium risk due to the potential variations in leavers and because there is a risk to performance if vacancies significantly exceed predicted levels. Members should be aware that the Force will have a full establishment of 162 PCSOs following the second intake this year.
- 2.4 Through the budget setting process for 2010/11, the Force has identified £727,000 of new efficiencies. These are all identified as low risk and include reductions in travel costs through lower rates paid per mile, increasing the re-use of furniture rather than new purchases and keeping officer overtime budgets at 2009/10 levels.
- 2.5 In addition, the cost challenge process for 2010/11 has identified £2,159,000 of efficiencies. These are reported to members in the separate Budget paper.

#### Further Work

- 2.6 The process of identifying gains to meet the current gap of £2.927m is ongoing and progress will continue to be reported to members quarterly.
- 2.7 The majority of efficiencies identified in the budget process for 2010/11 have now been reported. It follows that the current unidentified balance will need to be found via other sources.
- 2.8 The South West Regional Collaboration Programme continues to work towards realising efficiencies and performance improvements across the Region. The outcomes of this programme are anticipated to realise financial savings to all forces and these will be fed into the Efficiency and Productivity Strategy.
- 2.9 Work to prioritise capability requirements for Dorset Police up to and including 2015 have just been initiated to be taken forward through the Continuous Improvement programme. Any efficiencies identified from this programme will be included in the Efficiency and Productivity Strategy and reported to members for monitoring purposes.

### **3. RECOMMENDATIONS**

- 3.1 Members are asked to note the Efficiency and Productivity Strategy 2008/11 and the progress made.

M BAKER QPM BSc (Hons) MBA  
Chief Constable

Members' Enquiries to: Mr John Jones, Assistant Chief Officer (01305) 223710  
Press Enquiries to: Public Relations Officers (01305) 223780/3640

#### Appendix A

Appendix A – Efficiency and Productivity Strategy Monitoring

## APPENDIX A - EFFICIENCY AND PRODUCTIVITY STRATEGY MONITORING

### THREE YEAR EFFICIENCY TARGET TO BE ACHIEVED

Required to Achieve 9.3% Efficiency and Productivity Target	10,179
Additional 1% target for 2010/11	1,095
<b>10.3% Revised Efficiency and Productivity Target</b>	<b>11,274</b>

### Efficiency Savings Achieved to date

	Original Target (£000's)	Achieved (£000's)	Variance (£000's)
b/fwd from 2007/08	392	392	0
Budget Process	546	541	5
Cost Challenge	91	91	0
Forensic Management	201	201	0
Information Services	146	146	0
Procurement	757	757	0
Workforce Modernisation	1,470	1,470	0
<b>Total Achieved</b>	<b>3,603</b>	<b>3,599</b>	<b>5</b>

### Identified Savings to be Achieved During 2009/10

Project Category	Performance Measurement	Original Target (£000's)	Anticipated achievement (£000's)	Variance (£000's)	Risk	Comments
<b>Budget Process</b>						
<b>Overheads</b>						
Increase in vacancy factor for PCSOs	Control Strategy / Financial Monitoring	122	233	(111)	Medium	Removed from budget. Assumes average vacancies of 4.75%. Actual vacancies are higher in 2009/10. Risk to force performance.
Various - Under £10,000 including: Reduction in price/usage of HQ print copier, increased use of SEC for meetings, discontinued use of propane gas, etc	Procurement Savings	15	15	0	Low	Actual anticipated savings removed from budget
Increase in rental income.	Procurement Savings	75	27	48	Low	Includes additional income from Probation Service at 7 & 9 Madiera Road
Savings in energy consumption and estates rationalisation	Procurement Savings	57	57	0	Low	Removed from budget
Contract Savings - Photocopying.	Procurement Savings	18	18	0	Low	Budget partially reduced, and saving partly re-invested into devolved budgets.
Reduction in Ill Health Retirements.	Control Strategy	134	134	0	Medium	Removed from budget - estimate 6 ill health retirements remains in budget
Re-organisation of MCCD (Anticipated).	Control Strategy	29	0	29	Medium	Although recent review of MCCD did not deliver direct cashable savings, work is ongoing to identify other efficiencies within the review
<b>Prisoner Handling / Custody</b>						
Reduction in relief staff pay in CJD	Control Strategy	22	9	13	Low	£22k removed from budget for 2008/09. However, this proved unsustainable and £13.6k vired back from staff pay for 2009/10 budget
<b>Investigating Crime</b>						
Reduction in forensic submissions	Control Strategy	40	40	0	Low	Further saving on forensic submissions removed from budget
<b>Workforce Modernisation</b>						
Criminal Justice	Civilianisations	6	6	0	Low	
Investigating Crime	Civilianisations	44	34	10	Low	Civilianisations agreed and currently being progressed, although police officer post not yet released
Prisoner Handling / Custody	Civilianisations	3	3	0	Low	
Reducing Crime	Civilianisations	63	63	0	Low	
<b>Cost Challenge</b>						
<b>Investigating Crime</b>						
Further saving achieved through forensic collaboration work	Procurement Savings	4	2	2	Low	Saving offset by revised contribution to regional collaboration programme of £2.1k
<b>Overheads</b>						
Additional Income - Immigration charges, Imaging Unit, rental income and telecommunications sites.	Income Generation	102	102	0	Low	Budgets adjusted to better reflect level of income achieved in previous years.
Provision of Training to External Organisations - Life Long Learning and First Aid Training Review.	Income Generation	20	20	0	Low	Budget adjusted
Various - Under £10,000 including: Reduction in ex-gratia claims.	Procurement Savings	3	3	0	Low	Removed from budget
Divisional reduction in Travel Requirement.	Procurement Savings	5	0	5	Low	Not achieved, actual travel spend remained at 2007/08 levels
<b>Prisoner Handling / Custody</b>						
Renegotiated contract - provision of custody meals	Procurement Savings	9	7	2	Low	Full anticipated saving offset by small increase to reflect actual contract costs
<b>Promoting Public Safety</b>						
Provision of additional road safety training by the Driver Awareness Scheme to address mobile phone and red light offences.	Control Strategy / Financial Monitoring	350	250	100	Medium	The full programme of courses originally anticipated are unlikely to be delivered. However, the SEES Department are working to ensure the overall efficiency saving is achieved

(continues)

(continued)

Project Category	Performance Measurement	Original Target (£000's)	Anticipated achievement (£000's)	Variance (£000's)	Risk	Comments
<b>Dorset 2010</b>						
Reallocation of resources in 2009/10	Control Strategy	819	838	(19)	Low	Reallocation of resources during 2009/10 to meet additional high priority areas identified under Dorset 2010
Reallocation of resources in 2009/10	Control Strategy	662	0	662	Medium	Reallocation of resources during 2009/10 to meet additional medium priority areas identified under Dorset 2010
Reallocation of resources in 2009/10	Control Strategy	335	0	335	High	Reallocation of resources during 2009/10 to meet additional lower priority areas identified under Dorset 2010
<b>Total to be achieved 2009/10</b>		<b>2,937</b>	<b>1,861</b>	<b>1,076</b>		
<b>Anticipated Savings 2010/11</b>						
<b>Budget Process</b>						
Overheads						
Reduction in police staff posts - 1.5 FTEs	Control Strategy	37	37	0	Low	Removed from budget
Police overtime budgets not inflated	Control Strategy	64	64	0	Low	Removed from budget
Reduce length of IPLDP programme	Control Strategy	54	54	0	Low	Removed from budget
Reduction in purchase of new furniture	Control Strategy	77	77	0	Low	Removed from budget
Saving arising from the sale of Ashley Road	Control Strategy	11	11	0	Low	Removed from budget
Reduction in charges for pilotage of helicopter from new contract	Procurement Savings	39	39	0	Low	Removed from budget
Travel cost savings through reduced rate per mile	Control Strategy	71	71	0	Low	Removed from budget
Various - Under £10,000 including: Reduction in audit fees, reduction in forensic and DNA costs, reduction of catering, lower postage costs	Control Strategy	67	67	0	Low	Removed from budget
Promoting Public Safety						
Reduced costs and increased charges for Driver Awareness Scheme courses	Income Generation	309	309	0	Low	Budget adjusted
Cost Challenge						
Cost Challenge Savings (as per schedule in separate Budget Paper)	Control Strategy	1,226	1,226	0	Low	Removed from budget
Change in shift patterns in custody	Control Strategy	683	683	0	Low	Removed from budget
Reduction in insurance costs	Control Strategy	150	150	0	Low	Removed from budget
Reduction in travel budgets	Control Strategy	100	100	0	Low	Removed from budget
<b>Anticipated gains 2010/11</b>			<b>2,887</b>			
<b>Total identified gains</b>			<b>8,346</b>			
<b>Balance unidentified</b>			<b>2,927</b>			