

Subject: Additional Budget Information  
To: Police and Crime Panel for Essex  
From: Treasurer to the Police & Crime Commissioner for Essex  
Date: 20<sup>th</sup> February 2013

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## **1. Introduction**

1.1 In presenting the Precept report to the meeting of the Police & Crime Panel on 29<sup>th</sup> January the Panel requested additional information on three items:

- i) Efficiency savings achieved through collaboration
- ii) Capital Disposals Plan
- iii) Budgetary provision for ill health/early retirement from the Force

1.2 This note provides a response to the above request.

## **2. Efficiency savings through collaboration**

2.1 Reference was made to paragraph 3.27 of Annex 1 of the proposed precept report 2014/15 presented to the last meeting of this Panel. This highlighted the current approach where the PCC will continue to promote collaboration with third parties.

2.2 The most significant collaboration over the past four years has been with Kent Police. The three main service areas consisting of ICT, Serious Crime Directorate (SCD) and the Support Services Directorate (SSD). SSD consists mainly of HR, Training, Estates, Finance and Fleet. The 2014/15 revenue budget for these services amounts to £48.8m.

2.3 Over the past four years around £15m savings have been achieved as follows:

**Table 1: Savings achieved in total by Essex and Kent over the four year period 2010/11 to 2013/14**

<b>Service</b>	<b>Gross savings achieved £m</b>	<b>Comment</b>
ICT	7.8	Savings shared 50:50 with Kent
SCD	2.4	Kent savings
SSD	4.8	Savings shared 50:50 with Kent
<b>Total</b>	<b>15.0</b>	

2.4 The gross savings do not fully reflect the benefits achieved through collaboration as there are separate investments in service delivery, such as SCD for Essex. Moreover, over recent years it has become difficult to differentiate between savings achieved in-house by the respective force and the 'collaboration dividend'.

- 2.5 There are also productivity improvements to be recognised. For example, the joint fleet service has enabled a slightly contracted workforce dealing with a slightly enlarged fleet to deliver between 20-25% greater annual mileages at a reduced cost.
- 2.6 Since the implementation of a formal Section 22 agreement in 2012 encompassing all support services our savings have been 'pure collaboration dividend', each Force had already driven out its own savings as part of the contribution to targets of £42.2m and £50m for Essex and Kent respectively. Examples include a further £390K staffing from HR and around £300k from Business Services.
- 2.7 The governance arrangements for the performance of the Essex/Kent collaboration services are exercised through the Joint Collaboration Committee of respective PCCs and Chief Constables. HMIC's value for money profiles for 2013 show that the cost of support service functions (encompassing ICT and SSD) were the lowest per head of population of all shire forces.
- 2.8 In addition to the collaborative services shared with Kent there are separate collaborative arrangements with forces in the eastern region including the Eastern Region Special Operations Unit (ERSOU) and the Disaster Victims Recovery service. The performance of both arrangements is viewed as providing a positive contribution to efficiency and effectiveness of service delivery. The ERSOU collaboration arrangements are currently very active with a programme in place for increasing security arrangements in the eastern region in conjunction with other agencies such as the National Crime agency.

### 3. Capital Disposals Plan 2013/14 to 2015/16

- 3.1 The Panel expressed an interest in individual properties that were earmarked as surplus to requirements and therefore sale over the next few years. The latest Capital Disposals Plan is appended.
- 3.2 In summary, the planned profile of receipts are:

**Table 2: Planned profile of capital receipts**

Year	Total estimated receipts £'000
2013/14	242
2014/15	3,757
2015/16	4,832
2016/17	509

- 3.3 The disposals plan is regularly updated and its progress in achieving planned receipts will be closely monitored during the year in order to ensure good use of resources.
- ### 4. Police Officer Ill Health/Injury Retirement

- 4.1 The Panel noted that the budgeted cost of retirement of Police Officers through ill health and injury has increased by £230k.
- 4.2 The cost of police pensions is met by the Home Office on a pay as you go basis with the cost of employer contributions met by the Force budget. There are, however, two exceptions to this arrangement relating to injury and ill health awards.
- 4.3 Police Officers may retire on ill health grounds when they are permanently disabled and cannot be re-deployed by the Chief Constable. The ongoing pension costs are met by the Home Office and the force incurs a one off charge. The 2014/15 Force budget amounts to £669k.
- 4.4 The Force meets the cost of any retirement through injury on duty. The 2014/15 budget provides for lump sum payments amounts to £123k and for ongoing pension costs for 274 retired Police Officers amounting to £3,466k. This later budget incorporates the increase of £230k mentioned in paragraph 4.1 above due to a mixture of inflation and realignment of the budget with the actual payments being made. The inflationary increase for April 2014 is 2.7% equating to £91k with the balance of £139k relating to realignment of the budget provision required.
- 4.5 There are a number of Force developments that will make a positive impact on ill health and injury pension awards. Specific examples are the introduction of the national 'fit test' and the appointment of an independent Selected Medical Practitioner to assess medical causation. Also the PCC is monitoring the levels of sickness absence with a view to ensuring that appropriate processes are in place to promote a fit and healthy workforce.

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