

EFFICIENCY PLAN 2004/2005**Joint Report of the Chief Constable, Clerk and Treasurer**

1. PURPOSE OF THE REPORT

- 1.1 To consider the Efficiency Plan for 2004/2005 and to seek agreement to its inclusion in the Local Policing Plan.

2. BACKGROUND

- 2.1 All police authorities in England and Wales are required to include a statement of planned efficiency gains within their policing plans, commencing in 1999/2000 (Minute 235 - 1998/99 refers).
- 2.2 Efficiency gains must be divided into two distinct elements:
- ◆ Cashable - A financial resource is released.
 - ◆ Non cashable - Resources are redeployed to produce increased performance.
- 2.3 The Government has stressed that crude cuts in expenditure which result in reduced levels of service (particularly reductions in the numbers of police officers) will not be counted as efficiency savings. It wants efficiency savings to be redirected towards front-line policing which will, in turn, help toward the achievement of national and local objectives.
- 2.4 All police authorities are required to achieve efficiency gains of 2% of net revenue expenditure per annum. The target efficiency gain for Northumbria Police is therefore **£4.996m** in 2004/2005 based on net revenue expenditure of **£249.81m**.
- 2.5 The Efficiency Plan has been prepared following consultation between the Chief Constable and Treasurer and takes account of all guidance provided by the Home Office to date.
- 2.6 The 2002/2003 Efficiency plan has been signed off by her Majesty's Inspectorate of Constabulary (HMIC) as having achieved the 2% target, and the 2003/2004 Plan has been allocated category A status, with HMIC taking the view there is a strong probability that a 2% efficiency gain will be achieved by Northumbria Police whilst maintaining or increasing operational performance.

3. **Efficiency Plan 2004/2005**

3.1 The attached appendix includes the following elements:

- ◆ The projected outturn for the 2003/2004 Efficiency Plan
- ◆ Details of the Efficiency Plan for 2004/2005
- ◆ The planned re-investment of efficiency savings/gains during 2004/2005

3.2 A number of items in the Efficiency Plan have links to the National Bureaucracy Task Force recommendations. These will be included in the Efficiency Plan monitoring throughout 2004/2005.

4. **Equal Opportunities Implications**

4.1 There are no equal opportunities implications arising from this report.

5. **Human Rights Implications**

5.1 There are no human rights implications arising from this report.

6. **Financial Implications**

6.1 Cashable efficiency savings are included in the 2004/2005 budget as appropriate.

7. **Conclusion**

7.1 Net revenue expenditure for 2004/2005 is forecast at **£249.81m**, giving a 2% efficiency target of **£4.996m**. Planned efficiency improvements totalling **£5.797m** have been identified. This is **0.801m** above the target level, thereby providing a contingency in case of slippage.

8. **Recommendation**

8.1 Members are requested to agree the efficiency plan for 2004/2005 as set out in the appendix to this report and to its inclusion in the Local Policing Plan.

NORTHUMBRIA POLICE EFFICIENCY PLAN 2004/2005

All police authorities in England and Wales are required to produce an efficiency plan. Efficiency plans will be a key element of local performance plans.

The main objective of an efficiency plan is to demonstrate how existing resources can be used to achieve greater output which can then be used to contribute to the achievement of overarching police aims and objectives.

PROJECTED OUTTURN FOR THE 2003/2004 EFFICIENCY PLAN

	Projected Outturn £000
CASHABLE SAVINGS	
General Running Costs	610
Devolved Financial Management	75
Employee Related Expenditure	536
	<hr/> 1,221
NON CASHABLE SAVINGS	
Savings in Employee Time	4,650
General use of Resources	19
	<hr/> 4,669
TOTAL	<hr/> 5,890 <hr/>

The target for 2003/2004 was **£4.825m**. The expected Efficiency Plan outturn for 2003/2004 is **£5.890m** which is **£1.065m** in excess of target.

Performance against the package of indicators is monitored constantly. The mid-year allocation of a category A status by HMIC (ie there is a strong probability that a 2% efficiency gain will be achieved by Northumbria Police whilst maintaining or increasing operational performance) has been noted.

EFFICIENCY PLAN 2004/2005

Following a detailed review, planned efficiency improvements totalling **£5.797m** have been identified. This is **£0.801m** above the target level of **£4.996m**, thereby providing a contingency in case of slippage.

The planned cashable and non-cashable savings are as follows:

CASHABLE SAVINGS	2004/2005 £000
General Running Costs	683
Savings in Employee Related Expenditure	605
TOTAL	1,288

General Running Costs: Planned savings include savings in maintenance of equipment, a review of IT support fees and reduced catering subsidies.

Savings in Employee Related Expenditure: This involves savings through establishment reviews, including reviewing the suitability and mix of police officer and police staff posts, returning additional police officers to operational duty.

NON CASHABLE SAVINGS	2004/2005 £000
Savings in Employee Time	4,509

Savings in Employee Time: Ensuring that the time of police officers and support staff is used as efficiently as possible means that more resources can be directed towards front line policing. A number of efficiency initiatives have been identified by Area Commands including, for example, the creation of teams targeting local priorities and proactive units from within existing resources. The use of specialist equipment to enable officers time to be used more effectively has been promoted by both Area Commands and Departments. Departments have also identified substantial savings in employee time by streamlining systems, reviewing shift patterns and various other initiatives.

RE-INVESTMENT OF EFFICIENCY SAVINGS/GAINS 2004/2005

Cashable Savings: To maintain the current level of service cashable savings have been re-invested within the revenue budget for 2004/2005

Non-Cashable Savings: HMIC has introduced six efficiency plan activity parcels where assessments of performance must be measured. These are:

- Persistent Offenders and Public Disorder
- Drugs
- Diversity
- Crime Performance
- Other Core Policing (including response and traffic)
- Local Priority.

Performance Review and Inspectorate Department has robust and reliable mechanisms in place to monitor performance against the six HMIC efficiency parcels.

In addition to this, local schemes are required to identify links with performance improvement and how these will be measured.