



THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

DECISION RECORD FORM

REQUEST:

To agree the recommendations outlined below to establish financial and operational sustainability over the next two years.

Title:

Meeting the budget challenge

Executive Summary:

The savings required from CSR 2010 and 2013 have presented significant financial challenges to the Force, and current assessments predict further cuts in future years. The continued cuts to police funding are occurring at a time when the service is facing increasing demand for services. The PCC has published his policing plan, and in order for the Force to deliver on its requirements Cleveland Police needs to be operationally and financially sustainable.

The Force has three overarching programmes of activity (Agile, Orbis & Transformational Leadership) which will play a significant role in securing the long term operational sustainability of the Force.

The overall approach detailed in this paper, whilst challenging, will enable Cleveland Police to establish a sustainable operational model that is focused on delivering the best possible policing services across Teesside actively protecting them from harm. That is underpinned with empowered, skilled staff that have access to effective, flexible, physical and IT resources.

Decision:

1. To note the overall approach outlined in this paper, and its significance in terms of delivering value for money.
2. To support the construction of a workforce plan which ensures the operational sustainability of policing across Teesside by 31st March 2015 which:
 - Achieves a sustainable police officer establishment of 1,333 FTE.
 - Achieves a sustainable police staff establishment of 151 FTE.
 - Achieves a sustainable PCSO establishment of 132 FTE.
3. In pursuit of (2):
 - Support the continued application of Regulation A19 over the next two financial years
 - Support the introduction of a voluntary Redundancy scheme for both police staff and PCSOs.
 - Note the potential for compulsory redundancies in the future, should they be necessary.
4. To support the intention to commence the recruitment of police officers in late 2014/15.
5. Commission the CC to deliver the above recommendations.

Implications:

Has consideration been taken of the following:	Yes	No	
Financial	<input type="checkbox"/>	<input type="checkbox"/>	
Legal	<input type="checkbox"/>	<input type="checkbox"/>	
Equality & Diversity	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainability	<input type="checkbox"/>	<input type="checkbox"/>	
Risk	<input type="checkbox"/>	<input type="checkbox"/>	

(If yes please provide further details below)

Decision Required – Supporting Information

Financial Implications: (Must include comments of the PCC's CFO where the decision has financial implications)

The Force faces considerable financial challenges. The recommendations in the report will contribute to securing the financial stability of the Force.

Legal Implications: (Must include comments of the Monitoring Officer where the decision has legal implication)

There are no legal implications arising from this report. All redundancies will be actioned within the relevant policies and legislation.

Equality and Diversity Implications

There are no equality or diversity implications arising from this report. Equality and diversity implications will be kept under consideration throughout the process.

Human Rights Implications

There are no Human Rights Act implications arising from this report.

Sustainability Implications

Delivery of the recommendations will achieve a sustainable operational model for the Force.

Risk Management Implications

There is a risk to the reputation of the Force if it cannot establish financial and operational sustainability. The recommendations in this report mitigate this risk.

OFFICER APPROVAL**Chief Executive**

I have been consulted about the decision and confirm that financial, legal, and equalities advice has been taken into account. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signed:  Date: 22/10

Police and Crime Commissioner:

The above request HAS / ~~DOES NOT HAVE~~ my approval.

Signed:  Date: 4/11/13

Purpose

This report is presented to enable the PCC to understand the scale of the financial challenges facing Cleveland Police in order for him to consider the Chief Constables' proposals that will establish financial and operational sustainability over the next two years. The Police and Crime Commissioner is asked to confirm his support, and also help cushion the Force for further grant cuts in 2016/17 and beyond to five broad recommendations included in the paper.

Context

Comprehensive Spending Review 2010

The Comprehensive Spending Review of October 2010 required Cleveland Police to make real terms savings of over £22m over a four year period ending in financial year 2014/15. The reductions were front loaded, requiring more significant levels of saving to be achieved in the first two years.

Cleveland Police responded well to the challenge created by CSR 2010, achieving significant downsizing whilst maintaining and, in many areas, both improving operational performance and public satisfaction. The high level strands of the cost reduction plan were:

- The cessation of the recruitment of new police officers
- The application of Regulation A19 to guarantee that officers left the organisation upon achieving thirty years pensionable service
- Establishing outsourcing arrangements with Steria
- Reducing expenditure on a range of "non pay" costs

Over the last two years, under the leadership of Chief Constable Cheer, Cleveland Police has undertaken a "whole organisation" change programme which has secured its ability to maintain and develop operational performance in its smaller configuration.

In June 2013 HMIC commented favourably regarding the force's response to the challenges presented by CSR 2010. It commended the organisational change programme and the determination within the force to deliver the best possible policing services to the communities of Teesside. HMIC also commented that the force will find further grant reductions challenging.

Throughout the period of CSR 2010 the force has continued to protect the community from harm, reducing crime, increasing detections and has maintained public confidence. This has also been against a backdrop of spending cuts by other public sector bodies.

Comprehensive Spending Review 2013

The CSR 2010 indicated that the budget reductions, faced by policing, would conclude in financial year 2014/15. The continued pressure on national public sector spending have been well reported. As a result, there was limited surprise when, in June 2013, further cuts

were announced. CSR 2013 added further cuts to the final year of CSR 2010 along with an additional year of savings. The impact of this means that the Force has to find cash-backed efficiencies of £6.6m over the next two financial years. It is important to note that the public sector at large is anticipating further cuts beyond those notified through CSR 2013, ie beyond 2015/16.

CSR 2013 presents further challenges to Cleveland Police at a time when locally, and nationally, policing is starting to experience increases in demand for its services. Some of these increases could be linked to reductions across other public sector service providers. Some could be attributed to the impact that our communities are facing as a result of the welfare reforms.

As always, Cleveland Police is also required to play its part in securing the country from harm which includes fulfilling the requirements of the Strategic Policing Requirement.

The table below shows the cash reductions resulting from CSR in 2010 and the further cuts from the CSR in 2013, as presented in the Long term Financial Plan to the PCC in July 2013, together with our assessments based on the current information available for 2016 and 2017.

From 1 st April	CSR 2010	CSR 2013	Current predictions
2011	£5.3m	-	-
2012	£6.5m	-	-
2013	£1.5m	-	-
2014	£1.8m	£1.6m	-
2015	-	£3.2m	-
2016	-	-	£2.1m
2017	-	-	£1.4m
Total	£15.1m	£4.8m	£3.5m

As can be seen from the table the Cleveland Police main government grant will have reduced in cash terms by £19.9m. In practice the Force has had to make savings greater than this due to the impact of inflation, pay drift, externally set pay awards and other unavoidable costs pressures.

The Police and Crime Commissioner has published his policing plan. The objectives laid out in the plan are clear and provide his aspirations for the Chief Constable to deliver upon. Core to delivering the policing plan objectives is Cleveland Police being operationally and financially sustainable.

Responding to the challenge

The remainder of this paper outlines how Cleveland Police will respond to the additional challenges of CSR 2013 and represents its Value for Money approach over the next two financial years.

The force will deliver three overarching programmes of activity; each has a specific role to play in securing the long term operational sustainability of the organisation.

Agile Programme

The Agile programme will focus on the working environment, ensuring that estate and IT provision are flexible and capable of supporting the organisation, in its smaller configuration, to meet the needs of the community. It also supports the adoption of modern working methods such as homeworking, mobile working, condensed hours etc. so as to increase productivity and wellbeing.

Transformational Leadership Programme

The Transformational Leadership Programme (TLP) builds upon the current leadership development programme and the TLP Team are using feedback from across the Force to prioritise activities. TLP will support the organisations pursuit of increasing the productivity of its people, reducing absence and increasing its skills base.

Orbis Programme

The Orbis Programme worked with officers and staff to design a new force structure. The new functional model of delivering policing has been introduced and will be fully implemented during the 2013/14 financial year. Orbis will continue to shape the operational structure of the force over the next two years.

Neighbourhood Policing

Cleveland Police recognises the value that local communities place on knowing who "their" local police representatives are. Over recent years this has led to the development and embedding of Neighbourhood Policing across Teesside.

Neighbourhood Policing will be maintained into the future. It is, however, important that local people recognise that Cleveland Police cannot protect people from harm simply through visible neighbourhood teams. Neighbourhood policing is just one element of providing the best possible policing service. It is logical therefore that, as with other elements of policing, both the scale and shape of neighbourhood policing will need to change over the coming years. Cleveland Police will endeavour to protect the following principles of neighbourhood policing through the Orbis programme:

- the consistent presence of dedicated neighbourhood teams capable of working in the community to establish and maintain control;
- intelligence-led identification of community concerns with prompt, effective, targeted action against those concerns; and
- joint action and problem solving with the community and other local partners, improving the local environment and quality of life.

Collaboration

Cleveland Police has significant collaborative arrangements in place with its two commercial partners, Steria and Tascor. It also has a number of collaborative arrangements in place with its neighbouring forces. The Chief Constable recognises that, in order to effectively respond to demands locally, regionally and nationally, as a smaller organisation, it will be important for Cleveland Police to develop more widely, than presently exists opportunities to reduce the cost of providing policing services across Teesside through collaboration. This will include collaboration with other police forces, blue light services, public sector organisations and commercial organisations.

The three, interlinked, programmes of work will be drawn together in one portfolio led by the Chief Constable. The portfolio will be known as **Orbis+**.

Delivery of the **Orbis+** portfolio will ensure that Cleveland Police is able to deliver the best possible policing services to the people of Teesside whilst at the same time changing both scale and shape, maximising both its physical and human resources. The force is determined to protect its communities from harm, to sustain confidence and, wherever possible, collaborate with partners ensuring the best possible return on the investment of public money.

In order to secure financial sustainability for Cleveland Police over the next two financial years the following, specific, activity will be undertaken:

- Review of all non-pay contracts with the aim of reducing recurring costs.
- Working with both commercial partners to reduce the cost of service provision to the force.
- Reducing Executive costs.
- Maintaining the application of Regulation A19 over the next two years.
- Seeking to establish a sustainable police officer operating model of 1,333 FTE
- Establishing a sustainable police staff operating model of 151 FTE
- Establishing a sustainable PCSO operating model of 132 FTE

In order to achieve both the police staff and PCSO operating model, the force proposes to establish a voluntary redundancy scheme as soon as possible.

In addition to securing financial and operational sustainability, the force will focus on maximising the operational return from its workforce. This will include increased activity that will challenge poor performance and workplace attendance.

The force will seek to increase the number of volunteers who support the delivery of policing, both Special Constables and non-warranted volunteers.

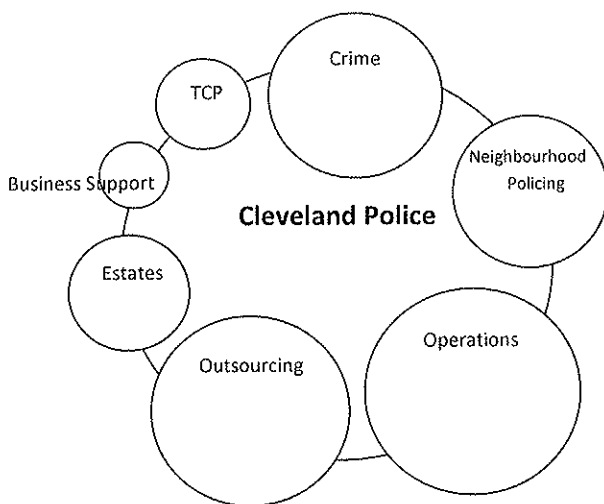
Cleveland Police last recruited new police constables in March 2010. The recruitment of new officers is a key part of promoting continuous improvement and maintaining positive energy across the organisation. The Chief Constable proposes to commence limited recruitment of

constables in late 2014/15 with a view to establishing a two year cycle of recruitment into the future.

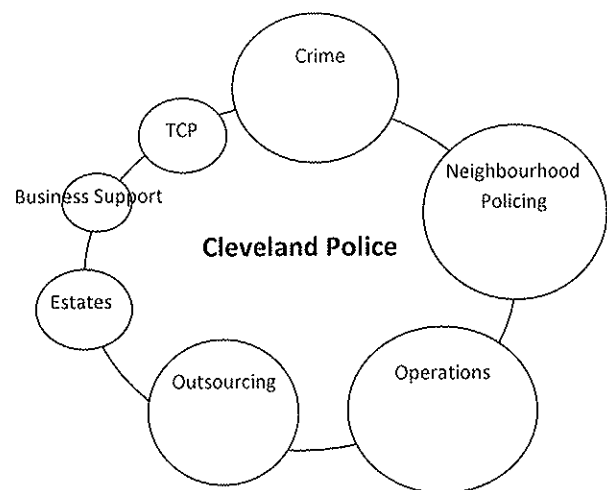
The Chief Constable recognises that the nature of policing is changing in terms of technical advancement, an ageing population and the wider impacts of public sector austerity measures. These, and others, have the potential to bring significant new challenges to the service. This plan maximises the operational flexibility of the force to respond to new emerging areas of demand.

The schematic below demonstrates the planned shift of resource distribution over the next four years. As can be seen the proportion of resource committed to operational policing increases with the most significant growth being in the delivery of Neighbourhood Policing.

2013/14 Resource Distribution



2016/17 Resource Distribution



Recommendations

In order to take positive steps which develop the organisation and achieve financial sustainability, the Police and Crime Commission is asked to consider, and support, the following recommendations:

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Conclusion

The overall approach detailed in this paper, whilst challenging, will enable Cleveland Police to establish a sustainable operational model that is focused on delivering the best possible policing services across Teesside actively protecting people from harm. That is underpinned with empowered, skilled staff that have access to effective, flexible physical and IT resources.

Appendices

- Timeline

Timeline

