

Value for Money Statement – 30 June 2010

The purpose of preparing this individual statement is to fulfil the requirements of the Policing Plan (Amendment) Regulations 2010 by producing a Value for Money Statement for inclusion in the Strategic Policing Plan.

BACKGROUND

The legislative background these regulations complement is as follows:

- Section 6ZB of the Police Act 1996, as inserted by the Police and Justice Act 2006, sets out the statutory basis for policing plans. It includes the following requirements:-
 - The Secretary of State may by regulations make provision supplementing that made by this section.
 - The regulations may contain provision as to matters to be dealt with in policing plans.
 - Before making regulations, the Secretary of State must consult the APA and ACPO.
- The Policing Plan Regulations 2008 listed matters the policing plan of a police authority shall set out, in addition to those specified in section 6ZB of the Police Act 1996. These regulations have now been amended by the Policing Plan (Amendment) Regulations 2010 which specify that a Value for Money Statement should set out the following:

“(i) any planned improvements in efficiency and productivity of the police force during the plan period, including in particular those to be achieved through—
(a) improvements in the deployment of the police force and of people employed by the police authority under section 15(1) of the Police Act 1996 (civilian employees);
(b) reductions in overtime spending;
(c) improvements in business processes;
(d) reductions in bureaucracy;
(e) use of national frameworks for procurement;
(f) convergence of information systems and technology in accordance with national strategy;
(g) improvements in the provision of business support services;
(h) reductions in overhead expenses;
(i) improvements delivered through collaborative working;
(ii) how and when it is proposed such improvements will be achieved;
(iii) the planned cashable gains arising from such improvements;
(iv) where the police authority has decided that a planned improvement in efficiency and productivity of a description set out in paragraph (d)(i) should not be pursued, the reason for that decision.”.

BUDGET OVERVIEW

In February 2010 we were forecasting a funding shortfall of £16.8m over the three years 2010/11 – 2012/13 against which we intended to make cashable efficiency gains to facilitate a balanced budget.

A number of the financial assumptions used in the budget forecast in February have significantly changed, increasing dramatically the potential shortfall the Force may now face over the next two years. Unfortunately, although we recognise that the assumptions we made as part of the budget process no longer hold true, we still do not know the actual figures hence, we are still making assumptions albeit our basis has changed. The key factors which have changed, with our new estimate are:

	Feb 2010	June 2010
Council tax	+2%	0%
Government Grant	+0.7%	-3%
Pay Awards (Sept 2011 2012)	+1%	0%
Employers NI	+1%	tbc

In addition to the changing economic and political environment on 27 May 2010 Thames Valley Police was notified that in year revenue savings of £3.4 million would be required for 2010/11. The implications of the changes we already know and the new in year savings indicate a potential funding shortfall far in excess of those originally indicated. The following are, for 2011/12 and 2012/13, an indication of the in-year incremental funding shortfalls we may now be facing:

2010/2011	£8.2m
2011/2012	£18.123m
2012/2013	£11.964m

In response to the deteriorating funding position we have devised programmes of work to improve value for money and to ensure our processes are as efficient and effective as possible. This work has been organised around five key strands of activity across the organisation and include increased use of collaborative approaches, process improvement and efficiency savings as per the strands detailed below. The intention is that these work strands will provide cashable efficiency savings to address the funding shortfalls we face.

Local Policing Model

The Force will carry out a review of how policing services are best delivered at a local level. The review will look at the five Basic Command Units (BCU), the 16 Local Police Areas and the Force structure and determine the most effective level for delivering front line services (response and neighbourhood policing), other operational and business support functions and for partnership working. It is anticipated that significant savings will be achieved through reduction of management levels and adopting a shared service approach where appropriate.

Streamlined Processes

We will implement a significant review into crime and incident management that will streamline the process, maximise the use of technology and deliver substantial efficiency savings. The new process has focused on the needs of the public and attempts to improve the 'customer journey'. We will also review similar processes that offer opportunities for improved service and efficiency gains, for example the criminal justice process both for the police and with criminal justice partners.

The Force continues to focus on and reduce any local self-created bureaucracy. As an objective, the Force will seek to identify any unnecessary bureaucratic processes and where possible use its discretion to eliminate any inefficiency and waste. Use of the "waste line" helps to achieve this, by providing all staff the means to identify and report bureaucratic burdens. We have reviewed the Reducing Bureaucracy in Policing Report produced by Jan Berry

<http://webarchive.nationalarchives.gov.uk/20100418065544/http://police.homeoffice.gov.uk/publications/police-reform/reducing-bureaucracy-policing.html>

and have ensured that progress is being made against each of the force level recommendations.

Collaboration

We continue to work with Forces from the South East to identify and develop collaborative opportunities. Work is currently underway to deliver improved cost-effective integrated protective services and to widen the remit to collaborate on a number of other areas outside of protective services. Alongside this regional work the Force will continue to scope all business areas with a view to promoting and extending the principles of collaboration wherever possible. In particular the Force will look at specific options to collaborate with Hampshire Constabulary. We are already working on a joint ICT unit and exploring further initiatives.

Value for Money Panel

The Scrutiny Panel approach was established in 2007 to critically review a number of centrally held budgets and contracts and has been responsible for identifying several million pounds of efficiency savings so far. In its work the Panel has adopted similar operating principles to those applied within the Zero Base Budget Reviews, aligning spending to the Force Strategy, prioritising future spending according to need and wherever possible identifying potential savings and efficiencies. The Value for Money Panel will review several budget lines and compare data using the value for money profiles, examples include; vehicle fleet, overtime, police staff pay and conditions.

Zero Based Budget Approach

ZBB continues to be part of a critical process of thorough reviews looking at BCUs, Operational Command Units and departments. The aims of the reviews are to

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ensure a fair and appropriate distribution of resources, to ensure that resources match demand in the future and to identify and secure any possible savings or efficiencies. The results and proposals of the review are then presented to a panel chaired by the Deputy Chief Constable and consisting of other ACPO officers. The panel recommendations will then be taken forward to the Chief Constable's Management Team and finally to the Police Authority for approval or otherwise.

For each of these strands, the skills and attitude of our staff will be crucial to achieving a more effective and efficient workforce. Effective resource management is aimed at maximising the time that staff are available to deliver front-line services and making sure that the time is used to best effect. This will be achieved by training our managers and supervisors to be better leaders providing more effective briefing and deployment, reduced sickness levels and better use of Specials and volunteers.

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The main areas of improved value for money for 2010/2013 include:

Strand	Details	Delivery Date	Cashable savings £m (p.a.)	Reinvested Savings £m (p.a.)	Productive benefits of delivery
LOCAL POLICING MODEL					
Review of Local Policing Model	Review of the current model of policing at BCU / LPA level.	2011/12 2012/13	£4.5 £4.5		Review will consider the style and structure for delivery of local policing and shared service requirements.
STREAMLINED PROCESSES					
Reducing Bureaucracy – Customer Journey	Customer Journey, shorten the customer journey from initial contact to deployment. Introduce and better utilise new and existing video conferencing equipment.	2010/11 2011/12	£1.320 £1.206	£2.3 over 2 years	Improved customer contact and call allocations, providing better service and delivering efficiency savings. Reduce travel from around the force saving travel costs and time.
Reducing Bureaucracy – Offender Journey	Review of the process of dealing with offenders as they enter and pass through the criminal justice process.	2011/12 2012/13	t.b.c.	t.b.c.	Cross Agency review of business processes through the LCJB using Quest (or other) methodology.
Workforce Modernisation	Review of Special Priority Payments Review of Agency Staff Coroners Officer responsibilities passed to local authorities. Civilianisation of certain forcewide roles.	2010/11 2011/12 2012/13	£0.835 £1.094 £0.177	£0.33 t.b.c. t.b.c.	Better alignment with the Coroner and Local Authority responsibilities.

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COLLABORATION					
Regional Collaboration – Specialist Crime Units	SE regional collaboration, work streams including, Covert ops, TSU ad Witness protection.	2010/11 2011/12 2012/13	£0.071 £0.169 £0.320		Improved efficiency and resilience.
Regional Collaboration - Forensic	The current combined forensic budget across 4 regional forces is £40m. We will review the structure and delivery model to identify process improvements, procurement savings and structural change.	2011/2013 2011/12 2012/13 2013/14	By 2014 £4M across 4 forces TVP share = £1.3m £0.2 £0.5 £0.6		Improved procurement of forensic services. More effective and efficient delivery structure and aligned business processes.
Regional Collaboration – other projects	Identify further opportunities for regional collaboration as part of the South East Collaboration programme	2011/12 2012/13	t.b.c.	t.b.c.	At this stage options and business case papers are being completed on further areas of business that will deliver efficiency savings and improve services.
Bilateral Collaboration with Hampshire	Shared ICT department across both forces	2011/12 2012/13 2013/14	£0.25 £0.578 £2.588		Total savings of £8.1m over first 5 years
Bilateral Collaboration with Hampshire	Joint uniformed operations command across both forces	2011/12 2012/13	£0 £2.74		Business Case has not yet been approved by either Police Authority
Bilateral Collaboration with Hampshire	Joint Information Management unit across both forces	2011/12 2012/13	£0 £0.065		Business Case has not yet been approved by either Police Authority

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VALUE FOR MONEY					
Scrutiny Panel (Including procurement)	Review all areas of central budgets, contracts and services. (mileage, building management, consultancy, vehicle fleet)	2010/11 2011/12	£2.002 £0.513		Better value for money from contracts and services
Reductions in Overtime	We will reduce our overtime over the next 3 years so that our spend is more in line with the national average.	2010/11 2011/12 2012/13	£0.529 £1.3 £1.3		Use of Value for Money Profiles to bring overtime spend in line with other Forces.
Renegotiate NSPIS Case and Custody Contract	Reduce revenue commitment to funding use of NSPIS Cu and Case	2010/11 2011/12	£0.310 £0.132		
Uniform Review	We will review the purchase and issue of uniform to all staff.	2010/11 2011/12	£0.090 £0.200		More efficient purchasing and life usage of uniform items.
Use of VFM Profiles	Review of the VFM profiles to identify any outliers.	2011/12	t.b.c.	t.b.c.	Identify more efficient ways of delivering services.
Vehicle Fleet Review	We will carry out a further review into the use of fleet, hire vehicles and mileage.	2010/11 2011/12 2012/13	£0.500 £0.165		Further work to review vehicle fleet (building on previous reductions).
ZERO BASED BUDGET APPROACH					
Zero Based Budget Approach of Basic Command Units, Operational	Use a ZBB approach to review critical operational and business areas, operations and	2010/11 2011/12 2012/13	£2.572 £2.929 £1.591	£0.888 £0.130 t.b.c.	Improved productivity, efficiency and service delivery.

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Command Units and central departments	functions.				
TOTALS					
		2010/11	8.229		
		2011/12	12.658		
		2012/13	11.771		

In 2010/11 the reinvested savings have enabled 74.38 police officers to be redeployed to frontline policing across the BCUs.

Further work is being carried out to quantify the levels of savings that will be delivered in those areas that are shown as 'To be confirmed' (t.b.c.). This information will be included in the Value For Money Statement to be published by the end of June 2010. The VFM statement will be updated on a regular basis to show on-going work but will only be published annually.

The Thames Valley Police Authority has established a 'Productivity Panel' that will challenge and scrutinise the initiatives contained within the VFM statement.