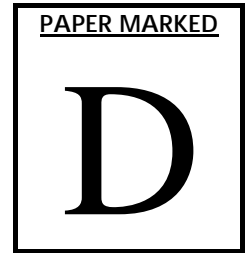


LEICESTERSHIRE

POLICE AUTHORITY



Meeting **POLICE AUTHORITY**

Date **TUESDAY, 30 JUNE 2009 – 2.00 P.M.**

Report of **CHIEF CONSTABLE & TREASURER**

Subject **EFFICIENCY SAVINGS TARGETS**

Purpose of Report

1. To set a revised Efficiency Savings target for the Constabulary for the Comprehensive Spending Review (CSR) years 2008 to 2011.

Background

2. At the start of the current CSR period the Home Office set an efficiency target for Police Authorities equal to 9.3% of gross revenue expenditure recorded for 2007-08.
3. Although equivalent to 3.1% per year, Authorities are free to record the gains in any of the years, provided the total reaches 9.3%. The requirement for Leicestershire is £16.5 million in total.
4. Some of the savings realised are cash, and reduce the budget as a whole.
5. However, most of the savings do not reduce the cash budget but increased outputs are realised from the same cash resource.
6. The Constabulary has made good progress to date in delivering the efficiency gains, details of which are included in the document appended.

Current Position

7. In January 2009 the Policing Minister announced that the targets will no longer be set by the Home Office but by the Police Authority itself. By default the Constabulary has been continuing to work to the 9.3% target.
8. In his recent budget the Chancellor of the Exchequer announced that the police will be required to deliver a further 1 per cent of efficiency savings beyond the level of savings committed to at the 2007 CSR, with all savings recycled back into front line services. The requirement for Leicestershire therefore becomes £18.3 million.
9. In view of the changes described in paragraphs 7 and 8 it is appropriate that the Authority now sets formally the target for 2008-11, and it is suggested that this be 10.3% of gross revenue expenditure in 2007-08, namely £18.3 million.
10. From 2011-12 the picture changes dramatically, with a significant funding shortfall forecast for that year.

11. As a result a much higher proportion (perhaps all) of efficiency savings will effectively be cash cuts, with all the pressures on service that brings.
12. The Strategic Financial Planning Group has already commissioned work to identify the areas that might contribute to those savings. The work will be completed by the end of 2009.

Recommendations

13. The Authority is recommended to;
 - (i) Set a revised efficiency savings target for the years 2008 – 2011 of 10.3% of gross revenue expenditure in 2007-08.
 - (ii) Endorse the work of the Strategic Financial Planning Group in seeking to identify savings opportunities in preparation for financial year 2011-12.

Implications

Financial: As described in the report. Legal: none. Diversity: none. Risk Management: As described in the report.

Background Papers

Letter from Vernon Coaker MP dated 22 January 2009.
Efficiency and Productivity Strategy for the Police Service 2008-11.
HM Government Budget Report April 2009.

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