

## **APPENDIX 1 (ii)**

### **DYFED-POWYS POLICE AND CRIME PANEL**

#### **FINANCE SUB -GROUP**

#### **REPORT REGARDING THE IMPACT OF EFFICIENCY SAVINGS IDENTIFIED AS PART OF THE 2023-2023 PRECEPT SETTING PROCESS**

##### **Section A - Background**

1. In the Annual Report issued by the Police and Crime Panel for the period 2022-2023 the Panel identified as one of its priorities for the upcoming year the scrutiny of the level of police precept proposed by the Police and Crime commissioner ('the PCC') for the 2024-2025 financial year.
2. As part of that scrutiny process the Panel identified the efficiency savings proposed by the PCC and Chief Constable for the 2023-2024 financial year as an area that required additional scrutiny.
3. The panel delegated this piece of work to a subgroup of 7 members, led by Councillor Keith Evans of Ceredigion County Council. The full membership of the subgroup is.

Councillor Keith Evans (Ceredigion County Council) – Chair  
Professor Ian Roffe (Independent co-opted member)  
Councillor Dot Jones (Carmarthenshire County Council)  
Councillor William Denston Powell (Powys County Council)  
Councillor Simon Hancock (Pembrokeshire County Council)  
Councillor Les George (Powys County Council)  
Councillor Elizabeth Evans (Ceredigion County Council)

4. It must be stressed at this stage that the role of the Panel is to scrutinise the Commissioner. It is not to scrutinise the Chief Constable or Dyfed-Powys Police itself.

## **Section B - Objectives**

5. The objectives of this piece of work were to
  - (a) Determine whether the efficiency savings that had been proposed for 2023-2024 had been achieved,
  - (b) Their impact upon the delivery of the Police and Crime Plan and
  - (c) Whether any scope remains for further efficiency savings.
6. It is intended that these objectives will feed into the wider piece of work being undertaken by the subgroup in relation to the setting of the precept for 2024-2025.

## **Section C - What have we done?**

7. In carrying out this piece of work, members of the subgroup have taken the following steps.
  - (a) Received presentations from the Chief Finance Officer for the PCC and the Director of Finance for Dyfed-Powys Police.
  - (b) Attended a Finance Seminar hosted by the PCC and Chief Constable
  - (c) Reviewed publicly available documents regarding the finances of the PCC, including the medium-term financial plan and annual statement of accounts.
  - (d) Scrutinised decisions made by the PCC at quarterly Police and Crime Panel meetings.
  - (e) Attended the public meetings of the Policing Accountability Board held between the PCC and Chief Constable

## **Section D - What efficiency savings were proposed for 2023-2024?**

8. In January 2023 the PCC presented a report to the Police and Crime Panel as part of the process for setting the 2023-2024 precept.
9. The report stated at paragraph 12.1 that.

*“a cost and service reduction plan has been developed by the Force Review Team that aims to deliver savings amounting to £11.2m over the next five years.”*

10. Although only indicative at that stage, the report stated that the plan provided for £5.92m savings in 2023-2024 and £1.677m savings in 2024-2025.
11. The report identified that savings were intended to be made as follows.

|   | <b>2023-2024</b> | <b>2024-2025</b> |
|---|------------------|------------------|
| Non-Pay Reductions                            | £593,000         | £50,000          |
| Direct Revenue Financing to Capital reduction | £600,000         | 0                |
| Income Generation (net)                       | £185,000         | 0                |
| Police Staff Reductions                       | £3,000,000       | £741,000         |
| Police Officer Savings                        | £429,000         | £166,000         |
| Procurement Savings                           | £500,000         | £150,000         |
| Premises Related                              | £430,000         | £300,000         |
| Technology Related                            | £140,000         | £220,000         |
| Fleet Related                                 | £25,000          | £50,000          |
| Workforce Modernisation*                      | 0                | 0                |

- Workforce Modernisations savings were not projected to be realised until 2025-2026.
12. It is clear therefore that the bulk of the savings would need to be achieved in 2023-2024 if the Plan were to be successful.

### **Section E – Have the proposed savings been achieved?**

13. In October 2023 the Subgroup received a presentation from Mr. Edwin Harris, Director of Finance for Dyfed-Powys Police.
14. In this presentation Mr. Harris confirmed that savings of £6.271m had been achieved but that a shortfall of £140k had been identified and a further £537K of savings were at risk.
15. Of the 28 budget areas which had been earmarked for savings, the majority were on target, but 5 had been identified as being at risk and 1 had failed.
16. The sole failure related to additional income not being generated by the force HQ Operations.
17. The 'at risk' areas were identified as.
- (a) Disestablishment of vacant posts
  - (b) Force Review restructure
  - (c) Criminal Justice
  - (d) Fleet Management
  - (e) ICT
18. Based on the information provided, it would therefore appear that significant progress has been made in achieving the proposed savings.

**Section F - What impact have these savings had on the delivery of the Police and Crime Plan?**

19. As might be expected, efficiency savings of this magnitude, have had several negative impacts. Based upon the information provided to the subgroup by Mr. Harris these have included.
- (a) The well-being of Police officers and staff
  - (b) Backlogs in Business Support Departments
  - (c) Loss of skills/Experience as long serving individuals are not replaced when they retire or change jobs.
  - (d) Use of warranted officers in non-frontline roles
  - (e) Negative impact on investigation timeliness, victim updates
20. It is unclear to the Subgroup to what extent these negative impacts have in turn impacted the delivery of the priorities in the Police and Crime Plan. However, it is noted that investigation timeliness and victim updates directly relate to Priority 1 in the plan that “Victims are supported”.

**Section G - What scope remains for further efficiency savings**

21. The report referred to in paragraphs 8 and 9 above outlined the following indicative efficiency savings for future years.

|   | <b>2025-2026</b> | <b>2026-2027</b> | <b>2027-2028</b> |
|---|------------------|------------------|------------------|
| Non-Pay Reductions                            | £50,000          | £50,000          | £50,000          |
| Direct Revenue Financing to Capital reduction | £0               | £0               | £0               |
| Income Generation (net)                       | £0               | £0               | £0               |
| Police Staff Reductions                       | £0               | £0               | £0               |
| Police Officer Savings                        | £195,000         | £195,000         | £0               |
| Procurement Savings                           | £150,000         | £50,000          | £50,000          |
| Premises Related                              | £200,000         | £200,000         | £0               |
| Technology Related                            | £300,000         | £300,000         | £100,000         |
| Fleet Related                                 | £50,000          | £0               | £0               |
| Workforce Modernisation*                      | £875,000         | £875,000         | £0               |

22. Whilst acknowledging these are indicative figures only it certainly appears that there is some scope for further efficiency saving to be made.
23. Whether these longer-term savings will prove to be achievable only time will tell.

## **Section H - How might these further savings impact upon the delivery of the priorities in the Police and Crime Plan?**

24. It is difficult at this stage to come to any firm view as to the impact these further savings may have on the delivery of the Police and Crime Plan.
25. It should be noted that Police and Crime Commissioner elections are due to take place in May 2024 and a new Police and Crime Plan be prepared by the 31<sup>st</sup> March 2025. There it is possible that by the time these savings are intended to be made, the Police and Crime Plan, and its priorities may have changed.

## **Section I - Acknowledgements**

26. Members of the subgroup would like to thank Edwin Harris, Director of Finance for Dyfed-Powys Police, Carys Morgans Chief Executive for the Police and Crime Commissioner and Beverley Peatling his Chief Finance Officer for the open, transparent, and constructive way in which they have provided information to the subgroup and answered the many questions posed by its members.

## **Section J - Conclusions**

27. Considerable success has been achieved by delivery savings identified by the Commissioner in his report to the Panel in January 2023
28. However, as might be expected these savings have had some negative impacts.
29. There is potential for further savings to be made in future years, but their scope is far more limited and the extent to which they can be achieved uncertain.

## **Section K - Recommendations**

30. That the PCC be clear in his Precept report to the Panel what the impact has been of efficiency savings made to date and outlining the potential impact of future savings that form part of the medium-term financial plan.
31. That when the next Police and Crime Plan is developed, it includes an assessment of how delivery of its priorities might be impacted by proposed efficiency savings.