

# **Priority Based Budgeting**

## **Police and Crime Panel Briefing**

November 2024

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## PBB Overview

# PBB Strategic Aims

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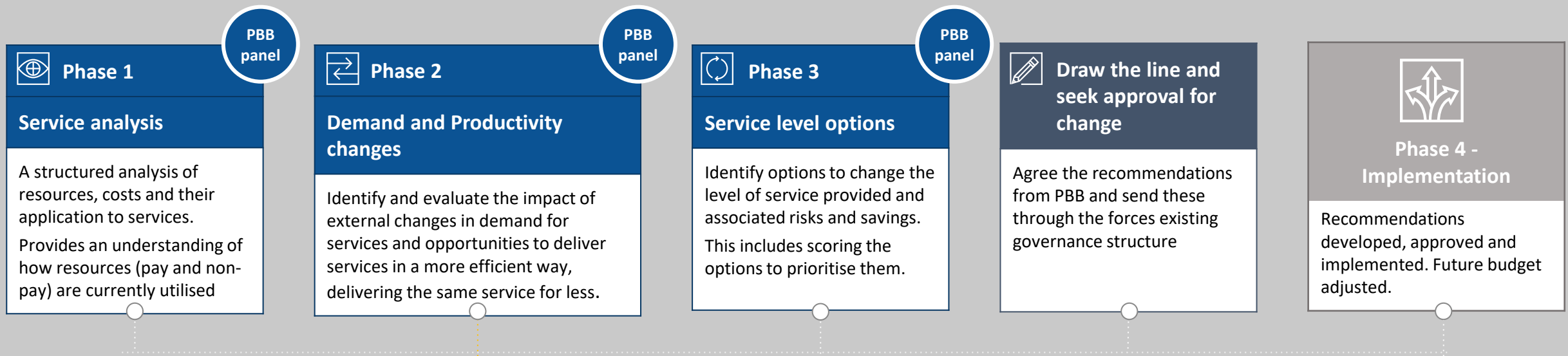
## Enhanced Corporate Planning

- Establishes a formal link between the budget setting process and Strategic Planning / FMS
- Introduces a mechanism to determine acceptable service levels based on risk

## Budget Setting

- Further enhance evidence-based decision making to determine effective use and allocation of resources against available budget
- Introduction of industry standard methodology to consider growth and/or savings proposals
- Improved decision making will result in fewer 'in year' ad hoc changes that impact on established budget
- Delivers robust VFM evidence for HMICFRS & Mayoral reporting regime

# PBB Process



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Productivity Changes

# Productivity Changes Vs Service Level Options

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- **Productivity Change** developed in the second phase of a PBB review focus on providing “the same level of service at reduced cost”  
Released funds / capacity can then be reinvested or taken as a saving
- **Service Level Options** developed in the third phase of a PBB review present several distinct service levels options for each business area at different budget points (Minimum - Enhanced)

# Productivity Changes

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- Ideas are proposed by Capability Leads / Managers
- Discussion is driven through 10 Lenses:



# Productivity Changes

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- Capability Leads developed their ideas using research, benchmarking, analytics data, dip-sampling, and peer discussion
- For each idea, a Productivity Change Template is produced:
  - proposals and rationale are outlined
  - assumptions are recorded
  - efficiency savings estimated
  - risks documented
- Capability Leads presented each proposal to the PBB Panel for consideration



# Productivity Changes (Proposals) - Governance

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- Currently 173x Proposals across the organisation following 3 rounds of development and approvals
- 43x Corporate (Formal Project Management under Corporate Services)
- 130x Locally Owned (Delivered by leads within the organisation with PBB team support)
- Each Proposal is assigned:
  - An SRO who is responsible for delivery/providing updates (+ project manager if Corporate-led)
  - An ACC/ACO responsible for the relevant portfolio.
  - A member of the PBB team to provide day-to-day support and collate relevant data/information

# Productivity Changes (Proposals) - Governance

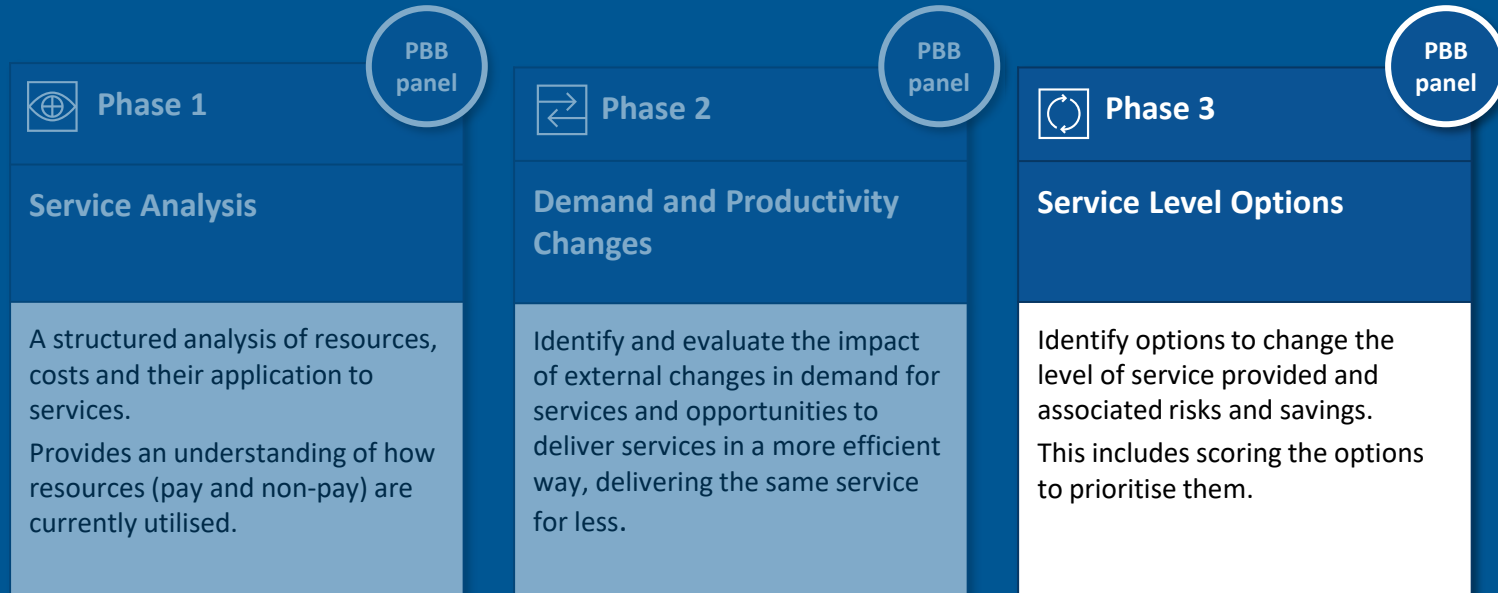
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- Corporate-led proposals are administered using PMO change processes with full project support
- Locally-owned proposals are administered using PMO change processes with PBB team support
- Progress reported by SRO into Monthly Accountability Meetings led by ACC/ACO
- PBB team/project managers also capture updates which are documented on central database
- Formal processes sit alongside ongoing engagement between all parties
- Progress reports are circulated to COT and SROs and presented at SDCG and ECB by PBB team
- Relevant stakeholders including people, finance and SWP and provided with relevant data and updates according to their requirements for future planning, accountability etc.

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Service Levels

# PBB Service Levels



## Service Levels

- The definition of different levels of service provision to meet future budget envelopes.
- Risks associated with each proposed service level are identified including likelihood and severity.

# Service Levels

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- Each function has its costs and risks analysed by service level working from statutory minimum through to enhanced
- All service levels presented are scored by the panel
- The panel debrief their scoring, discussing any differences of opinion / outlying scores
- There has been moderation following each panel and between rounds of PBB to ensure consistency
- The average score of the panel members is used to define the prioritised list of services
- The highest scoring (essential services) at the bottom and the lower scoring (desirable services) at the top