MTFP Budget Projections and Savings for 2007/8 - 2008/09

(figures are shown as incremental)

As at Finance Committee 23/11/2006	2007/08 £m	2008/09 £m	2009/10 £m
Funding:			
Estimated general grants (as per settlement for 2007/08; +2.5% for 2008/09 and 2009/10)	-1,883.7	-1,930.8	-1,979.1
Specific Grants (latest estimates)	-455.1	-457.2	-457.2
Additional Specific Grants - Safer Neighbourhoods	-44.1	-44.1	-44.1
Additional Specific Grants - DSPs		-19.2	-19.2
Funding for Olympics Preparation	-4.0	-9.0	-23.0
Estimated precept (+5.5% in 2007/08; +4% in 2008/09 and 2009/10)	-640.8	-666.4	-693.1
Transfer to/from reserves	0.0	0.0	0.0
Draft Total Funding	**-3,027.7**	**-3,126.7**	**-3,215.7**
Base Budget (Net Expenditure)	**2,882.0**	**3,027.7**	**3,126.7**
Less additional savings required in 2006/07 to balance budget	-6.9		
Revised Base Budget (Net Expenditure)	**2,875.1**	**3,027.7**	**3,126.7**
Revised provision for inflation including 2006/07 base budget revisions	83.8	80.1	86.0
Sub-Total	**83.8**	**80.1**	**86.0**
Committed increases			
Full year effect of rollout of SNTs in 2006/07	44.7	0.0	0.0
Additional Safer Neighbourhoods cost for PCSOs	33.6	0.0	0.0
Investment Board Fund	15.0	10.0	10.0
Additional DSP expenditure for mandated number of posts	0.0	19.2	0.0
Shortfall of current DSP funding to SO	23.0	0.0	0.0
Additional CT expenditure to match additional CT grant	15.0	0.0	0.0
Tax Liability for Police Officer Rail Travel	8.0	0.0	0.0
Rollout of polie staff into Integrated Borough Operations (IBOs)	7.5	0.0	0.0
Estate utilities - price increases above inflation	6.8	7.7	7.2
Support costs of IT projects into service	6.2	5.7	6.0
Designated Detention Officers - loss of grant	0.0	6.5	0.0
Forensics (Demand Led)	5.0	5.0	5.0
Reconfiguration of HR Services delivery model	4.0	4.0	0.0
Initial police learning & development training (IPLDP)	2.0	0.0	0.0
Airwave	3.0	0.0	0.0
Data Centres	2.3	0.9	0.0
London pay lead	2.3	2.1	2.0
FME's (Demand Led)	2.0	2.0	2.0
Support for covert and overt ops	0.0	0.0	0.0
Rental and related contractual liabilities (Property)	1.7	2.3	2.9
DNA (Demand Led)	1.5	1.0	0.5
DNA analysis growth	1.1	1.1	1.1
Interpreters (Demand Led)	1.0	1.0	1.0
Sub-Total	**185.5**	**68.5**	**37.7**
Committed decreases			
Airwave	0.0	-7.8	-4.8
Capital financing charges reduction	-9.0	0.0	0.0
Progressive reduction in Housing related allowances	-5.0	-5.0	-4.9
C3i	0.0	-4.8	-1.6
MetTime	0.0	-3.6	0.0
Transport Services transition costs for outsource contracts	-3.3	0.0	0.0
Modernising Operations	0.0	-2.0	0.0
Procurement Services transitional funding for 2nd generation outsource contracts	-1.2	-0.5	0.0
Additional charges command and control	-0.1	0.0	0.0
Sub-Total	**-18.6**	**-23.7**	**-11.3**
Efficiency and other savings included within financial envelope			
Procurement- PROSPA project	-16.1	-2.8	0.0
Income from TfL for extra PCSOs	-7.5	0.0	0.0
Metcall - reduction in various budgets	-0.2	0.0	0.0
Buy electricity on price alone as part of green policy	-0.5	-0.5	0.0
Vacancy management and robust management vehicle recovery contractor expenditure	-0.1	0.0	0.0
Sub-Total	**-24.4**	**-3.3**	**0.0**
New initiatives			
Olympics Preparation	4.0	5.0	14.0
Firearms/ Public Order Training for 2006/07 Onwards	2.6	0.0	0.0
MPA Community Engagement and Improvement Programme	0.9	0.0	0.0
Sub-Total	**7.5**	**5.0**	**14.0**
Total growth/savings	**233.8**	**126.7**	**126.4**
Draft Net Budget	**3,108.9**	**3,154.4**	**3,253.1**
Additional savings required to balance budget (cumulative)	-81.2	-27.6	-37.5
Revised Net Budget (carried forward)	3,027.7	3,126.7	3,215.7
Total additional savings identified in Business Group business plans and corporately	**-65.1**	**-17.0**	**-10.6**
Remaining budget gap (year by year)	**16.1**	**10.6**	**26.8**
Remaining budget gap (cumulative)	**16.1**	**26.7**	**53.6**