



**DRAFT**

**Policing London**

**2008-11 Interim Budget Response**



Working together for a safer London

## **MPA/MPS business plan**

The MPA/MPS business plan outlines our strategic objectives and plans to deliver these, including: business group responsibilities; performance measures and targets; the anticipated funding to support the planned activities; as well as proposed efficiency savings.

The corporate business plan has three main purposes:

- To set out how the strategic objectives will be delivered over the next three years, and the way in which business groups will contribute to their achievement
- To present to the public and other stakeholders how the Policing London Business Plan will improve service delivery to Londoners, meet their needs and demonstrate that tax-payers' money is being appropriately spent.
- To ensure the content of the plan meets the requirements of the business plan submission to the Mayor as outlined in the Mayoral Budget Guidance.

This document fulfils the requirement of the GLA group Budget Guidance, provides an interim view of our business plan and gives an overview of the MPA/MPS's strategic objectives for 2008-2011 including financial assumptions and issues.

The following information was requested as part of the interim response to the Mayor:

- A succinct overview describing our main business priorities and how they will assist on delivering the mayoral priorities over the year period 2008-2011
- A summary of the outstanding financial uncertainties and issues.

Finalising the MPA/MPS business plan and budget for the three year planning period (2008/09 to 2010-11) is still work in progress. As recognised in the GLA budget guidance, at this stage the budget proposals are not yet balanced in the context on the Mayor's guidance.

## **MPS outcomes**

In order to achieve our mission of WORKING TOGETHER FOR A SAFER LONDON, we endeavour to ensure that:

- Communities are engaged with, confident in and satisfied with our police service
- Security is improved and the public feel reassured
- Crime, disorder, vulnerability and harm are prevented and reduced
- Offenders are brought to justice.

## **MPS values**

We will do this by working together with all our citizens, our partners and our colleagues and:

- We will be proud to deliver quality policing. There is no greater priority

Put the needs of individuals and communities first. Be helpful and attentive. Make the best use of resources.

- We will build trust by listening and responding

Be accessible and approachable. Build relationships. Encourage others to challenge and get involved.

- We will respect and support each other and work as a team

Work to bring people together. Trust and value the contribution everyone makes.

- We will learn from experience and find ways to be even better

Be prepared to do things differently. Challenge how we work, share experiences and ideas.

We are one team – we all have a duty to play our part in making London safer

To deliver these outcomes, we will focus on the delivering six MPS-wide objectives during 2008-11:

- make our services more accessible and improve people's experience of their contact with us, especially victims and witnesses
- enhance our counter terrorism capability and capacity
- reduce serious violence and protect young people
- reduce the harm caused by drugs and disrupt more criminal networks
- make our neighbourhoods safer through local problem solving and partnership working to reduce crime, anti-social behaviour and road casualties
- ensure the safety and security of major events in London and prepare for the 2012 Olympics.

In addition, we have a number of cross cutting areas of work aimed at improving our organisation to help us deliver our aims and objectives. These are:

- the Met Modernisation Programme, which includes:
  - improving the quality and management of our information and data, and our staff's access to it
  - further improve our leadership and people skills across the MPS
  - improving our productivity
- sustainable development, equalities and health.

## Setting the MPS-wide objectives

The MPS-wide objectives are set against the outcome of a refreshed Corporate Strategic Assessment (CSA) process that analysed the performance and intelligence picture for the MPS, including business risks, emerging external issues and an assessment of the internal capabilities of the Service. The requirements of external stakeholders have also been taken into consideration.

### Corporate Strategic Assessment

The refreshed CSA process has highlighted a number of key outward-facing challenges for the MPS including: the delivery of citizen focused policing; the continuing terrorist threat; policing and protecting young people; reducing serious violence and the delivery of a safe and secure Olympic and Paralympic Games in 2012. It has also raised some key organisational challenges in terms of improving our productivity and having people with the right skills in the right jobs at the right time. In addition, the process has also identified some important 'cross cutting' issues for the MPS such as partnership working; the importance of information quality and intelligence; and the growth, diversification and complexity of London itself.

The findings of the CSA process, and the development of the MPS objectives, should also be seen in the context of a wider external environment which includes: forthcoming Mayoral elections; the development of national policy on issues like LAAs, new PSAs and the move from PPAF to APACS; how the new Governmental landscape operates following the changes instituted in June; and the outcome of the Review of Policing being carried out by Sir Ronnie Flanagan.

### Key external stakeholders

In addition to the CSA, the business plan also considers the requirements of key external stakeholders in establishing the strategic objectives, for instance:

- The Government and Treasury are in the process of setting out the indicative budget and Public Service Agreements (PSAs) as part of the Comprehensive Spending Review (CSR). As well as determining the budget, this sets out the Government's priorities including targets that police services and partners are required to achieve from April 2008 to March 2011. These proposals are not yet finalised but have been considered in relation to the MPS' priorities.
- Local Area Agreements (LAAs) are also a requirement from the Government and are intended to give flexibility in deciding priorities in accordance with to local needs and allow for issues to be tackled holistically. These LAAs will include social, educational, health and other issues as well as policing needs.
- The Mayor's priorities as outlined in the Greater London Authority Group Budget Guidance distributed to the GLA functional bodies on an annual basis
- Consultation is undertaken to ensure that the strategic objectives will help address the concerns raised by the public and other external stakeholders.

## **MPS-wide objectives 2008 to 2011**

### **DRAFT – Activities subject to amendment**

#### **Make our services more accessible and improve people's experience of their contact with us, especially victims and witnesses**

The MPS is committed to improving its service delivery to all those that require our services, but particularly in relation to victims and witnesses. Whilst we have made progress in this area over the last few years, we recognise that there is still much to do. This programme of work includes implementing the Home Office's Quality of Service commitment.

The MPS' recent Corporate Strategic Assessment (CSA) highlighted both the need to improve satisfaction levels, particularly with regard to the initial contact, and also the need to improve our response to emergency calls from the public. It has also been a keen area of concern for the public originating from the MPS public consultation process.

Support to victims and witnesses, with the aim of increasing the number of offences brought to justice, is one of the Mayor's priorities.

Also, emerging work around the next tranche of Police Service Agreements (PSAs) suggests that there is likely to be a PSA that includes targets around both confidence and satisfaction in the criminal justice service.

- Key areas of activity to support this objective are to:

- Improve access to services
- Improve the action taken by police
- Improve the follow up information given by police
- Improve the individual treatment given by police
- Improve our responsiveness to calls for assistance from the public.

#### **Enhance our counter terrorism capability and capacity**

The atrocities experienced in 2005, as well as more recent events, reaffirm the serious and enduring threat from terrorism. Thus, counter terrorism continues to be a high priority for policing in London and across the country. As would be expected, this issue has also been raised by our CSA, particularly with regard to the financial pressures that this places on the MPS. The Mayor has also identified delivering effective counter terrorism as a priority.

Key areas of activity to support this objective are to:

- ensure that counter-terrorism is embedded within all relevant MPS policing activity and processes, effectively engaging our staff, communities and partners leading to a greater understanding and awareness of CT issues.
- take advantage of all opportunities to disrupt terrorist networks and remove sources of funding for terrorism

- ensure that relevant intelligence is managed effectively and efficiently in order to maximise its value to CT policing and operations
- deploy a range of tactical options, for instance, high visibility patrols and relevant technical solutions in order to make London a hostile environment for terrorists. Particular focus will be on crowded places and other iconic sites
- provide effective protection for those who may be the targets of terrorists
- ensure that effective contingency plans exist and are tested to minimise the impact that terrorist activities might have on people and communities
- minimise any risk to life or disruption to communities through an efficient and effective response to the scenes of suspected or actual terrorist incidents.

### Reduce serious violence and protect young people

Although the MPS performed well in reducing levels of serious violence offences during 2006/07, there is ongoing concern from the public, the Home Office and other stakeholders regarding levels of serious violence, particularly in relation to young people. There are also concerns about alcohol-fuelled violence, illicit drug use and antisocial behaviour.

Current PSA proposals suggest that there may be PSAs relating to targets around both reductions in serious violence and tackling the harm caused by alcohol. The Home Office

has also introduced requirements for police services under the 'Every Child Matters' agenda.

Violent crime and young people, as both victims and offenders, were raised as issues in the CSA. The Mayor has also made combating violence one of his priorities, particularly in relation to women and race and religious hate crime, rape and other sexual offences.

Key areas of activity to support this objective are to:

#### **Draft – Currently out to consultation**

- reduce the incidence of Homicide
- reduce the incidence of Grievous Bodily Harm (GBH)
- reduce weapon-enabled serious violence
- Encourage the reporting of serious sexual offences
- improve the criminal justice outcomes for rape
- reduce the involvement of young people under 20, as victims or offenders in serious violence (Serious Youth Violence Strand of Children & Young People Strategy)
- improve the quality of police responses to serious violence through identifying and managing risk with partners

## Reduce the harm caused by drugs and disrupt more criminal networks

As well as the harm that the use of illegal drugs can do to individuals, the people and communities around them, the association between illegal drugs and other criminality is well known. Also, the Home Office is in the process of updating its drugs strategy and is currently undertaking public consultation to inform the approach. There is also likely to be a PSA that may include targets around tackling the harm caused by drugs. Reducing the harm caused by drugs is also a priority for the Mayor.

Criminal Networks and gangs are associated with serious violence, firearms, drugs and terrorism. The CSA highlighted the significant challenges for the MPS and its partners regarding young people becoming involved in gangs and carrying weapons, increasing their risks of committing, or becoming victims of, serious violence. It has also been a keen area of concern for the public originating from the MPS public consultation process.

- Key areas of activity to support this objective are to:
- improve police engagement with those communities linked to priority criminal networks/gangs including the business community
- increase the confidence of victims and witnesses in the handling of cases related to criminal networks/gangs
- increase the number of criminal networks/gangs disrupted and reduce the harm they cause in communities especially those relating to drugs and firearms

- maximise the disruption of criminal networks/gangs by increasing cash and asset seizure
- reduce the demand for, and tackle the supply of, illegal drugs, focusing on drug misuse that causes the greatest harm.

## Make our neighbourhoods safer through local problem solving and partnership working to reduce crime and anti-social behaviour

The MPS and its key partners have committed significant resources to front line service delivery in the belief that working with partners and communities to tackle local problems is the most effective way to improve trust and confidence in local policing, and to reduce the fear of crime and antisocial behaviour. In line with the Mayor's priority, we intend to continue to develop the Safer Neighbourhood Teams to provide effective front-line policing, public reassurance and public confidence.

In addition, developing work around the PSAs suggests that there is likely to be a PSA around safer communities. This is proposed to include focusing on the issues in each locality around reductions in crime, antisocial behaviour and re-offending, as well as increasing public confidence in the local agencies involved in tackling these issues. It has also been a keen area of concern for the public originating from the MPS public consultation process.



Key areas of activity to support this objective are to:

- improve the quality of public and partnership engagements in order to police communities more effectively, reassure the public and improve confidence in policing
- reduce crime and antisocial behaviour by focusing on vulnerable people in the community and those offenders that cause most harm
- reduce the fear of crime and perceptions of anti-social behaviour through problem solving and local partnership working
- increase the proportion of offences that are brought to justice, particularly the proportion of serious offences
- support the London Criminal Justice Board to increase the proportion of the public that have confidence in the criminal justice system
- work with partners to reduce road casualties.

### **Ensure the safety and security of major events in London and prepare for the 2012 Olympics**

It is critical to London's continued success as a 'world city' that we ensure the safety and security of Londoners and London's infrastructure during major events, and in response to major incidents. This requires long term planning and preparation in close partnership with other agencies.

In particular, the MPS' responsibility to deliver a safe and secure Olympic and Paralympic games in 2012 requires a large programme of work that is already underway and will

need significant resources to deliver. This is consistent with the Mayoral priority to deliver the 2012 Olympic and Paralympic games effectively.

Key areas of activity to support this objective are to:

- plan for safe and secure major events including the Olympic and Paralympic Games in London 2012
- prepare for and respond to major incidents and events.

### **Cross-cutting areas of work**

#### **The Met Modernisation Programme**

The Met Modernisation Programme (MMP) is a long-term programme that started in April 2006 to deliver benefits that either assist in delivering our strategy (e.g. Citizen Focus programme), improve our organisational capability (e.g. Met Intelligence Bureau) or make more efficient use of our resources (e.g. Transforming Human Resources programme). Continuing the process of modernisation to re-direct resources to the front line is also one of the Mayor's priorities.

A total of 13 key change programmes from all the MPS business groups are being undertaken as part of the MMP, with a central delivery unit co-ordinating and helping support the implementation of these major changes in the organisation.

Improving information quality, improving our leadership (which is part of the 'Together' programme), improving our productivity are MPS-wide objectives for the MPS as well as being part of the MMP, and are outlined below.

### **Improving the quality and management of our information and data, and our staff's access to it:**

- To ensure information meets our business needs and the needs of our partners
- To ensure information can be easily shared and made available to those who need it, when and where it is needed
- To ensure information is simple to access and maintain
- To ensure information is secure, legally compliant and supports accountable decision-making.

### **Further improve our leadership and people skills across the MPS**

- To deliver a demonstrable improvement in the quality of leadership (as measured by the corporate staff survey)
- To put the MPS first and work across boundaries bringing together different groups/teams to achieve goals
- To ensure that the connection between operational activity and the Values is clear to all staff.

### **Improving our productivity**

The Productivity Work Programme has been developed in response to an increasingly challenging financial landscape. The programme of work draws together existing projects with a productivity/efficiency focus and supplements this with additional work (for example, to develop a robust 'productivity framework to assess progress). The main focus of the work, in outcome terms, will be to:

- Deliver cashable efficiencies for future years to support the MTFP and contribute towards any budget gap
- Improve service delivery without significant further investment
- Work with partners to deliver a high quality service as efficiently as possible in support of the widening mission.

### **Delivering the strategy**

To ensure delivery of the strategy:

- Each MPS-wide objective will be underpinned by a plan, with identified key contributors, measures and risks
- Each Business Group will have a business plan demonstrating how they intend to contribute to the strategy, including performance measurements, an estimated budget and proposed efficiency savings

Business groups will be held to account, both by the MPS Management Board and the MPA, for their performance as outlined within their business plans.

## Equalities, environmental sustainability and health

### Equalities

Key areas of activity in relation to equalities are to:

- improve the quality of service provided to victims of hate crime, ensuring that a consistent and effective level of service is provided to London's diverse communities
- improve performance against rape through implementation of the joint HMIC/HMCPSi report 'Without Consent' and improving the detection and conviction rate for rape
- improve performance against domestic violence, ensuring a consistent level of service across all communities and minimising any disproportionality issues
- Increase community trust and confidence in the police use of stop and search ensuring it is used fairly and proportionately
- Creating a workforce that reflects the diversity of London
- To improve the progression of women within the police service.

### Environmental sustainability

Summary of the key areas of focus in relation to environmental sustainability:

- Reduce carbon emissions in line with the Climate Change Action Plan, Clinton Foundation Projects as well as offsetting our MPS air travel emissions
- Work in partnership to address environmental crime

- Integrate the environmental sustainability appraisal within MPA procedures and sustainable procurement
- Work to reduce the MPS' impact on the environment. Examples include: Continued use and trial and of alternative vehicles; use of IT to reduce paper consumption and improve efficiency and the Sustainable Waste Management Plan.

The MPS Environmental Management Programme, which includes objectives, annual targets and performance indicators will be published in March 2008.

### Health:

Key areas of activity in relation to Health and Safety:

- Implement the MPA/MPS Corporate Health and Safety Policy facilitating the promotion and development of effective health and safety risk management practices across the organisation
- Develop an MPA/MPS annual health and safety assurance process
- ACPO Strategy and Standard for Health and Safety
  - Implement the ACPO strategy for a healthy police service; and
  - The joint ACPO and the Home Office benchmarking standards for Health and Safety.

## MPS Revenue and Capital Estimates

### A) Revenue Estimates

#### Financial Landscape

The MPS' financial outlook is challenging for 2008/09 and beyond for several reasons:

- Regarding the Government Grants position for 2008/09 and beyond, the Home Office budget has been frozen in real terms, with funding pressures in other areas of its remit likely to have an impact on the overall funding for policing.
- Most specific grants for 2008/09 are expected to be held at 2007/08 levels in cash terms so inflationary impacts on expenditure covered by these grants will have to be contained within the overall MPA budget.
- Mayor's budget guidance indicates an MPA precept increase of between 1.5% and 3.0%. Now that the roll-out of Safer Neighbourhood teams is complete, significant increases in future precept levels are considered unlikely.

Also, the Government are currently undertaking a new Comprehensive Spending Review process, no firm indications of the level of funding for 2008-11 have been received at this point. However general indications are that rises in public sector investment experienced in recent years is unlikely to be repeated.

In line with the Government's intention to move towards a three-year budget allocation, the MPA last year further developed the Medium Term Financial Plan (MTFP) to

improve its content for the second and third years to move the MPA to a more robust basis for its medium term financial and business planning.

The MPS revenue and capital estimates for 2008/09 to 2010/11 are based on current policies and unavoidable costs. The proposals for pressures and savings over the period of the Corporate Plan are currently being reviewed. The final decision on these proposals will have an impact on the 'net revenue position' and 'Budget Requirement'.

The MPS continues to progress work to identify the implications of producing a budget in line with the published guidance. The tight financial settlement and greater demands on policing make this a challenging exercise. The MPS have started the budget process some three months earlier than last year and have made significant steps to reduce the gap between service demands and the anticipated level of funding.

The MPS have the guiding budget principles, which set the direction for the planning work:

- Alignment of resources to MPS-wide objectives;
- Improve outcomes and minimise unit cost of delivery;
- Achievability;
- Identification of medium term savings proposals not just concentrating on year 1;
- Understand the impact of cost reductions elsewhere within the organisation;
- Priority to public facing services

These are helping the decision making process in developing the revised corporate plan for 2008/09 to 2010/11.

At this stage of the planning process, the MPA budget requirement, as compared to the Mayor's guidance, can be summarised as follows:

	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Current Budget Requirement	2,605.6	2,688.6	2,735.7
Mayor's Guidance:			
• lower limit	2,574.8	2,632.2	2,691.4
• higher limit	2,612.8	2,672.1	2,732.1

The MPA/MPS corporate plan and budget for 2008/09, therefore, currently falls within the higher limit of the Mayor's guidance. Work is continuing to determine the impact of narrowing the gap between the current budget requirement and the lower limit of the Mayor's budget guidance. The potential impact of moving to this lower funding level is likely to have a significant adverse impact on the delivery of front-facing services.

## **B) Capital Estimates**

The MPS capital strategy agreed by the MPA Finance Committee on 19 July 2007 focuses on processes to take forward a strategically led, priority driven, and capital programme. Proper stewardship of the programme is deemed essential in ensuring that the asset needs of the Authority are delivered on time and within budget. To enable efficient and effective planning of investment requirements it is recognised that the programme will need to be extended in scope to cover at least a seven-year period. This will enable better consideration to be given to affordability, capacity and timing issues. It will also assist in securing strong links between capital investment and associated revenue costs

Slippage in project delivery and a lack of capacity to deliver key schemes is a key issue that the strategy will help address. Various measures have already been put in place to alleviate problems experienced in the past. Other measures are being developed to ensure that greater flexibility in the build of the capital programme exists. The ability to 'substitute' schemes for those where delivery is delayed, the possibility of holding projects in abeyance and the opportunities for being creative in terms of the level of funding that can be made available are all areas that are being explored.

This work is ongoing and full details of the proposed capital programme will be considered by the MPA in October.

## **C) Savings and Efficiency**

### **Savings**

The MPS has a good record of identifying savings and realigning resources to new and emerging service priorities. The 2007/08 business planning exercise identified savings in 2008/09 and beyond which have already been built into service base budgets. In addition, all Business Groups have been required to identify and deliver further savings in 2008/09. Alongside this work at Business Group level, the MPS continues to pursue corporate programmes (e.g. PROSPA) to drive the identification and delivery of efficiencies across the Service.

The savings have been reviewed to identify where the impact would fall with the aim of maximising savings in support functions/overheads areas and reducing the impact on operational policing. The work indicates that at this stage over 46% of proposed savings relate to support functions/overheads. Any savings that have an impact on staffing are still subject to full delivery plans including the consultation with Unions.

### **Efficiency gains**

The Metropolitan Police works proactively to find efficiency savings, in order to ensure that funds are available to finance growth and new initiatives, and also to meet Home Office savings targets. Finance and SM&PD work together with Business Groups across the organisation, to deliver efficiencies and improved services. Savings may be cashable, where changes and improvements in a department allow its budget to be reduced, or non-cashable, where efficiencies

enable the organisation to carry out activities at a reduced cost.

To support the efficiency work the Productivity Work Programme has been developed, in response to an increasingly challenging financial landscape. The programme of work draws together existing projects with a productivity/efficiency focus and supplements this with additional work (for example to develop a robust productivity framework to assess progress). The main focus of the work, in outcome terms, will be on:

- Delivering cashable efficiencies in line with the MTFP to ensure that no budget gap exists for 2009/10
- Improving service delivery without significant further investment
- Working with partners to deliver a high quality service as efficiently as possible in support of the widening mission.

## MPA/MPS Efficiency Plan 2005/06 to 2007/08

	2005/06	2006/07	2007/08
	£m	£m	£m
Cashable Efficiencies	59.4	91.3	92.9
Non-Cashable Efficiencies	43.7	16.3	35.2
Total savings	103.1	107.6	128.1
Home Office Target:	75.4	73.5	76.1
Surplus over target:	27.7	34.1	52.0

The MPA/MPS has delivered significant savings over past years. Savings delivered since 2000/01 up to and including the proposed saving in 2007/08 total some £574m (£360m cashable and £214m non-cashable). This level of savings has removed significant flexibility within the MPA/MPS budgets. Delivery of future savings will be challenging and may have an adverse impact on front-facing services.

## D) Reserves

No decisions have yet been taken on the use of earmarked or general reserves.

### Summary of Outstanding Financial Uncertainties and Issues

The MPS continues to use the Medium Term Financial Plan (MTFP) to support its revenue financial planning. It sets out over three years our funding assumptions, emerging pressures and savings. The MTFP continues to be reviewed and scrutinised by the MPS and MPA. As part of the development of the plan we have made certain assumptions that when actual funding is announced could have a significant adverse affect on the overall financial position. There are also other uncertainties that at present cannot be quantified financially, but could have significant impact on budgets.

Within the MTFP the MPA/MPS have made assumptions about key funding sources. The funding is still to be confirmed, but any variance to our assumptions could have significant impact on the budget. The current assumptions are:

- HO Police Grant assumption 2% increase. A 1% change in funding would be +/- £18m
- CT and 2012 costs will be funded by the Government to the levels within the MTFP. The assumption is the precept will not contribute to these costs.
- Specific Grant assumption 0% increase excluding CT and 2012. A 1% change in funding would be to +/- £5m



- Third party income and partnership income will be a similar levels to 2007/08.

### **Financial issues that give us uncertainty**

#### **Uncertainty of Funding**

- Funding issues re no 3 year settlement / HO priorities
- Specific grant funding for 2012 and legacy issues
- Specific grant funding for CT
- Changes to police funding formula

#### **Final Determination of Savings**

- Consultation with unions regarding the proposed savings is in progress
- Robustness of savings is being reviewed with the MPA

#### **Significant Events**

Recent experience indicates that significant unbudgeted operational events are becoming a more regular occurrence. The MPS currently has little financial resilience to deal with these events.