

2007110001470

GREATER LONDON AUTHORITY

Mayor's Office

Len Duvall AM OBE

Chair

Metropolitan Police Authority

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Date: **02 NOV 2007**

Dear Len

**2008-09 Budget for Greater London Authority and Functional Bodies
Preparation of Draft Component Budget**

1. The purpose of this letter is to consult you before I prepare a draft component budget for MPA in accordance with the provisions of paragraph 2 of schedule 6 of the Greater London Authority Act 1999.

Present intention

2. In response to my budget guidance, although the additional information provided with your Authority's interim budget submission included identified savings of £66m, expenditure of £11.8m had also been scaled back which could not be funded from within my budget guideline, although this had not been formally considered by the MPA. However, I remain of the opinion that my original guidance is valid and therefore, subject to your views, I propose to prepare a draft component budget for the Metropolitan Police Authority of **£2,592.8m for 2008-09**.

	2008-09 £m	2009-10 £m	2010-11 £m
Net revenue expenditure	2,593.8	2,652.2	2,711.9
Transfers from reserves	-1.0	-1.0	-1.0
Budget requirement	2,592.8	2,651.2	2,710.9

3. Further consideration will need to be given to your Authority's budget plans for 2009-10 and 2010-11, particularly in light of the shortfalls at this stage against the guidance target, but on present forecasts of available resources, for planning purposes it should be assumed that the budget requirement in those years will be no more than 2.25 per cent higher than that for the preceding year. I recognise, however, that plans for 2008-09 and both 2009-10 and 2010-11 will need to be kept under review because we are still awaiting the outcome of the next three grant settlement.

Consultation response

4. As advised in the Mayor's budget guidance issued in July, your Authority's response should be a supported business plan that is consistent with the draft budget proposal (set out in paragraph 2 above), and any significant matters raised in your response. Budget guidance stated that the business and budget plans must:
 - Cover at least the period to 2010-11
 - Set out what is planned to be achieved in high-level terms over that period, specifying profiled deliverables and defining measures to assess progress and impact
 - Highlight in high-level terms plans to mitigate and adapt to climate change, and to deliver other environmental improvements
 - Demonstrate how the budgets and business plans will improve social inclusion and diversity and address health inequalities
 - Include updated budget estimates and borrowing and capital spending plans covering the plan period (these can either be integrated in the business plans, or be in the form of separate accompanying documents)
 - Include an assessment and explanation of the quantified financial benefits expected to be secured by collaborative working with other members of the GLA Group (Delivering More Together).

Details regarding the financial information to be provided were included in the budget guidance.

5. Your business plan should show how you intend to address the priority aims and objectives I set out in the guidance which remain valid, both for the group as a whole and for the Authority.
6. Finally your Business Plan and supporting documentation should demonstrate how the sustainable development perspective underpins service plans, targets and programmes, and advise of any material budget and resource issues. They should specifically address how sustainable development is being achieved and delivered, using appropriate appendices, if necessary, to cover environmental, equalities, health promotion, health inequalities and other sustainability-related activities.

Timing

7. Any further comments from your Authority should be sent to Ray Smith, Interim Head of Strategic Finance, 3rd Floor, City Hall, More London, London SE1 2AA (fax 020 7983 4241 or email ray.smith@london.gov.uk) by 27 November 2007.

Yours sincerely



Ken Livingstone
Mayor of London

Cc: Sir Ian Blair, MPS Commissioner
Catherine Crawford, MPA Chief Executive and Clerk to the Authority
Ken Hunt, MPA Treasurer
Anne McMeel, Director of Strategic Finance
Martin Clarke, GLA Executive Director of Finance and Performance