

**EXPENDITURE PROJECTIONS 2001/02 TO 2005/06**

**APPENDIX 1**

[Note: Projected total for current year becomes the starting point for following year's budget ]

| Reason for change  | Notes | 2001/02        | 2002/03        | 2003/04        | 2004/05        | 2005/06        |
|--|-------|----------------|----------------|----------------|----------------|----------------|
|  |       | £m             | £m             | £m             | £m             | £m             |
| Previous year's budget                                     |       | 1,842.4        | 2,040.1        | 2,122.8        | 2,238.6        | 2,315.3        |
| Pay awards/price inflation                                 | 1     | 56.9           | 52.8           | 55.1           | 56.6           | 59.1           |
| Growth in officer numbers to reach 26,650 by March 2002    | 2     | 23.0           | 16.5           | 0.0            | 0.0            | 0.0            |
| Growth in officer numbers to reach 27,325 by March 2003    | 2     | 0.0            | 13.9           | 11.5           | 0.0            | 0.0            |
| Growth in officer numbers to reach 28,000 by March 2004    | 2     | 0.0            | 0.0            | 14.3           | 11.6           | 0.0            |
| Pensions growth  | 3     | 8.1            | 5.3            | 16.4           | 16.9           | 39.2           |
| Extra cost of London pay lead (including growth to 28,000) | 4     | 26.0           | 7.2            | 6.6            | 5.4            | 4.2            |
| Reduction in housing allowance/compensatory grant          | 5     | 0.0            | -5.5           | -5.5           | -5.1           | -8.0           |
| Estimated impact of <i>de minimis</i> capital at £5k       | 6     | 10.0           | 12.0           | 0.0            | 0.0            | 0.0            |
| Growth in compensation costs                               | 7     | 6.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| Independent consultants (3 years)                          |       | 1.0            | 0.0            | 0.0            | -1.0           | 0.0            |
| Other growth in 2001/02 budget:                            |       |                |                |                |                |                |
| civil staff recruitment/retention                          | 8     | 22.2           | 0.0            | 0.0            | 0.0            | 0.0            |
| IT investment  | 8     | 10.8           | 0.0            | 0.0            | 0.0            | 0.0            |
| DNA/Murder review  | 8     | 5.4            | 0.0            | 0.0            | 0.0            | 0.0            |
| Diversity/volume crime/ID suites                           | 8     | 4.8            | 0.0            | 0.0            | 0.0            | 0.0            |
| Other committed increases (net)                            | 8     | 42.0           | 0.0            | 0.0            | 0.0            | 0.0            |
| Free rail travel for police officers                       | 9     | 0.0            | 3.6            | 0.0            | 0.0            | 0.0            |
| Revenue impact of:   |       |                |                |                |                |                |
| Recruit accommodation growth                               | 10    | 0.0            | 1.4            | 0.0            | 0.0            | 0.0            |
| firearms PFI   | 11    | 0.0            | 0.6            | 1.7            | 0.0            | 0.0            |
| SE London police stations PFI                              | 12    | 0.0            | 1.1            | 9.7            | 0.0            | 0.0            |
| Hayes Archive PFI (MoD led)                                | 13    | 0.0            | 0.1            | 0.1            | 0.0            | 0.0            |
| Backlog maintenance requirement                            | 14    | 0.0            | 5.0            | 0.0            | 0.0            | 0.0            |
| C3i  | 15    | 0.0            | 0.0            | 15.0           | 0.0            | 0.0            |
| Pension transfer payments                                  | 16    | 0.0            | 1.5            | -1.5           | 0.0            | 0.0            |
| Receipts for Wembley recommence                            | 17    | 0.0            | 0.0            | 0.0            | 0.0            | -1.0           |
| Change in NCS/NCIS funding arrangements                    | 18    | 0.0            | -35.9          | 0.0            | 0.0            | 0.0            |
| Cashable efficiency savings                                | 19    | -18.5          | -10.2          | -10.6          | -11.2          | -11.6          |
| Contributions to(+)/from(-) pensions smoothing reserve     | 20    | 0.0            | 10.0           | 3.0            | 3.5            | -18.6          |
| Housing allowance anomalies                                | 21    | 0.0            | 3.3            | 0.0            | 0.0            | 0.0            |
| <b>Projected Budget</b>                                    |       | <b>2,040.1</b> | <b>2,122.8</b> | <b>2,238.6</b> | <b>2,315.3</b> | <b>2,378.6</b> |
| <i>Annual increase</i>                                     |       |                | <i>4.1%</i>    | <i>5.5%</i>    | <i>3.4%</i>    | <i>2.7%</i>    |