

**Notes to Appendix 1**

1. Pay awards for police and civil staff are assumed to be 3% in each year. Price inflation assumed to be 2.5%.
2. Cost of increasing to 26,650 officers by March 2002, 27,325 by March 2003 and 28,000 by March 2004. First year of each increase includes up-front costs such as uniforms and equipment. Additional budget for recruitment advertising agreed for 2001/02 assumed to continue in light of number of new recruits required each year.
3. Pensions growth reflects figures in FPBV report no 10 considered at 20 February meeting.
4. Progressive increase in cost of London pay lead payable to all new recruits.
5. Allowance frozen. Progressive reduction reflects wastage of officers in receipt of the allowance.
6. Policy change of *de minimis* categorisation implemented in 2001/02 but impact capped at £10m. Figure shown increases provision to full estimated cost commensurate with projected capital programme.
7. Based on historical trend of awards and settlements.
8. Items approved by MPA on 14 December 2000, adjusted to reflect measures agreed by FPBV to balance to reduced budget approved by Mayor on 15 February.
9. Income from HO to fund free rail travel for police officers is assumed to cease from 2002/03 onwards.
10. Latest analysis indicates that additional recruit accommodation will have to be made available in order to meet officer growth targets. This assumption supports cost of accommodation provision and related travelling costs.
11. Figures are consistent with latest business case. Cost in 2002/03 reflects Jan 2003 start date.
12. Costs consistent with business case considered by FPBV Committee on 20/2/2001. Cost in 2002/03 reflects Jan 2003 start date.
13. Assumes MPS staff transfer to MoD contractor mid 2002/03 and new premises built by April 2004.
14. Estimate of revenue budget increase required to address backlog maintenance levels.
15. Difference between overall existing costs of £80m and £95m affordability limit set by Management Board and MPA. Eventual solution may involve reallocation of resources with resulting impact on staff numbers.
16. Mid-point of possible pension transfer costs on SE London PFI and minimal cost of Hayes PFI.
17. Income from policing events Wembley Stadium may recommence in 2005/06
18. Funding of NCS/NCIS expected to change in 2002/03 from levies on all forces to central government funding. (Corresponding assumption made in funding projections.)
19. Cashable efficiency savings from 2002/03 onwards assumed to be 0.5% of previous year's budget.
20. Contributions to or from pensions smoothing reserve as outlined in FPBV report no 10 considered at meeting on 20 February.
21. Payment of £1,000 to about 3,000 officers affected by anomalies in housing allowance has been agreed subject to formal approval by the Home Secretary.

**Other issues**

Assumes that any transfer of traffic wardens to TfL as part of proposals to decriminalise Red Route offences will be cost/funding neutral.

Other emerging issues for which no revenue impact is yet clear:

Glidewell

NSPIS

Vulnerable and intimidated witnesses