

Appendix 4 2010/11 Budget for Greater London Authority and Functional Bodies Preparation of Draft Component Budget

GREATERLONDONAUTHORITY

Mayor's Office

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Catherine Crawford
Chief Executive
Metropolitan Police Authority
10 Dean Farrar Street
London SW1H 0NY

Date: **06 NOV 2009**

Dear Catherine

2010-11 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. On the basis of your Authority's interim budget submission I propose to prepare a draft component budget for the Metropolitan Police Authority of **£2,673.3 million for 2010-11**, in line with my budget guidance issued in June. Reflecting the uncertainty over the grant settlement for 2011-12 onwards my guidance included upper and lower financial guidelines for planning purposes. The proposed budgets for these years set out in the table below reflect the lower limit, but I expect plans to make clear an alternative scenario based on the higher limit.

	2010-11 £m	2011-12 £m	2012-13 £m
Net revenue expenditure	2,673.3	2,645.9	2,619.4
Transfers from reserves	-	-	-
Budget requirement	2,673.3	2,645.9	2,619.4

N.B 'higher' limit is £2,676.9 million in 2011-12 and £2,679.8 million in 2012-13

3. My expectation is that your proposals will include a package of efficiencies and savings which fully balances the budget for 2010-11, recognising that at this stage this has yet to be formally considered by the MPA. Further consideration will also need to be given to the Authority's budget plans for 2011-12 and 2012-13, particularly in light of any shortfalls in identified efficiencies and savings against the guidance target, and I expect any impact or implications for front-line services to be made clear.

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Consultation response

4. As advised in my budget guidance, the 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 2012-13
 - 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 towards delivering carbon reductions
 - Demonstrate how the budgets and business plans will increase diversity within the workforce
 - 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 joint working across the GLA Group

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 in particular.

Timing

6. 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 26 November 2009.

Yours ever,



Boris Johnson
Mayor of London

Copies to: GLA Executive Director of Resources
MPA Treasurer
MPS Deputy Commissioner and Director of Resources