

Appendix 2

Metropolitan Police Authority
and
Metropolitan Police Service

**Policing London Business Plan
2012-15**

**Supporting Financial
Information**



Working together for a safer London



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MPA/MPS Draft Corporate Business Plan 2012-15 - Supporting Financial Submission

Summary

1. This report highlights the issues facing the MPA/MPS, which are expected to impact on next year's budget and the medium term financial forecasts. This information is complementary to the corporate objectives as set out in the draft MPA/MPS Policing London 2012-15 Business Plan, and provides a draft financial commentary on the budget.
2. It should, however, be noted that whilst the information provided is based on best estimates, many uncertainties still remain which may impact on MPA final budget and precept requirement for 2012/13. The main uncertainties are:
 - Level of Specific Grant funding
 - Final determination of savings and growth proposals
 - Decisions by partner organisations on service funding
 - Funding for Operations Kirkin & Withern and Riot Damages Act (the current planning assumption is full recovery of these additional costs).
 - Significant events
3. Within that context, this report is the MPA/MPS submission in accordance with the requirements of the Mayor's guidance for the GLA group 2012/13 budget and business plan.
4. The Commissioner has been clear our approach is focussed on:
 - Doing all we can to maintain our operational capability;
 - Delivering efficient and effective support services at the lowest possible cost;
 - And making the most productive use of our operational assets.

This means:

- Reducing our inanimate costs (vehicles, buildings etc) as quickly as possible. We have reduced our vehicle costs by 9% in the last year and have built further savings of 5% into the 2012-15 Policing London Business Plan. Likewise for Premises we have reduced our total costs by 6% in the last year and have built in further savings of 15%.
- Ensuring our business model is as lean as is practically possible; and only then:
- Reducing operational officers and PCSOs and mitigating the loss in capacity, for instance through process re-engineering and working with others. The MPS has delivered £21m savings in Police Officer overtime in the last year and plan to further reduce budgets by £12m by 2014/15.
- Treating our officers and staff fairly and with dignity as the Service shrinks.

Throughout this process we aim to treat our staff with dignity and respect. It is, however, inevitable that the Service will shrink over the next planning period and the Authority has to date agreed to set aside funds (£57.2m) in a budget pressures reserve to help fund the cost of departures from the Service. This provision will be exhausted in 2011/12 and proposals are included in this submission to make provision for further departures.

Background

5. Monthly reports are presented to the MPS Management Board and MPA Finance and Resources Committee on achievements against this year's budget. Service performance is monitored by MPS Performance Board and MPA Strategic and Operational Policing Committee. The revenue budget monitoring position for 2011/12 at Period 6 (to the end of September) is set out at **Annex 1** (To be presented to the Finance and Resources Committee of the MPA at the same meeting as this draft Policing London Business Plan).
6. This draft budget has been prepared in the context of the Mayor's Budget Guidance issued in May 2011 (supported by the MPS internal guidance) and revised following receipt of the letter from the Mayor dated 26 October 2011, 2012/13 Budget for Greater London Authority and Functional Bodies Preparation of Draft Component Budget, see **Annex 2** and can be summarised as follows:

'Following the coming into force of amendments to be made to sections 85 to 89 of the Greater London Authority Act 1999 by the Localism Bill, I will be required to set a component council tax requirement (i.e. the amount met from the precept) for each functional body rather than a budget requirement (which was gross of general grant income from formula and Home Office police grant). Under the existing law I am required to set a budget requirement for 2012-13, and I propose to prepare a draft budget requirement for the Metropolitan Police Authority of £2,599.5 million for 2012-13. For comparison, I propose to prepare a draft Council Tax Requirement for the Metropolitan Police Authority of £709.6 million for 2012-13. This is £30m higher than as set out in my Budget Guidance issued in May but this additional support is only available for 2012-13. My proposed Council Tax Requirements for the MPA for 2013-14 and 2014-15 remain as in my guidance in May but remain subject to the Government finalising the Police and Local Government Finance Settlement for these years.

	2012-13 £m	2013-14 £m	2014-15 £m
Council Tax Requirement	709.6	679.6	679.6

I require that you prepare your budget plans on the basis that officer numbers are maintained at the current budgeted level of 32,320 for the period to the Olympics. Thereafter, allowing for the loss of the 363 officers directly funded by the Home Office for the Olympics, your budget plans should be based on officer numbers being maintained at the existing core level of 31,957 through to March 2015 subject to the continuation of your other income sources supporting some 5,500 officers.

I require that your proposals fully balance the budget for 2012-13 but recognise that you continue to face uncertainties regarding future government funding particularly in respect of the cost of the summer disturbances and the related riot damage claims. Your submission should, therefore, be clear regarding your planning assumptions on these issues. This requirement is based on the assumption that there should be no assumed increase in the overall GLA precept, but the share of the GLA precept will be re-balanced in the MPA's favour by £30m in 2012-13 only as described above. Further consideration will need to be given to the Authority's budget plans for 2013-14 and 2014-15, in the light

of any shortfalls you identify against the Council Tax Requirements I have set for these years.

7. The MPS has developed its budget proposals against a challenging and uncertain background. Last year the Chancellor announced his intention on public finances for 2011-15, the outcome of the Comprehensive Spending Review (CSR) was for a 20% real or 12% cash reduction in Home Office Grant (both specific and general) over the four year period.
8. **Annex 3** contains an overview of the financial position and summary workforce numbers for 2012-15 and details:
 - Growth
 - Inanimates
 - Operational Capability
 - Process Improvement/Outsourcing
 - Reductions
 - Inanimates
 - Operational Capability
 - Process Improvement/Outsourcing
 - Shared Services
9. **Annex 4** contains details of the workforce issues facing the MPS over the planning period.
10. **Annex 5** contains details of the forecast reserves position as at 31 March 2012 (as at period 6) and descriptions of each of the reserves.
 - The organisation is forecasting the following revenue reserve balances at 31st March 2012 (based on the Period 6 underspend of £5.7m being transferred to the earmarked budget pressures reserve): Earmarked Reserves - £70.1m, General Reserve - £34.5m, Emergencies Contingency Fund - £23.1m, Total - £127.7m. By 31st March 2014, the General Reserve will have reduced to £19.5m with the Emergencies Contingency Fund remaining at £23.1m, i.e. a total of £42.6m or approximately 1.5% of net revenue expenditure in line with the approved policy outlined in the 2011-14 Policing London Business Plan. Earmarked Reserves will have reduced to £53.3m by the end of 2012/13 and the MPS is likely to require approximately £50m a year for the next phase of the voluntary redundancy programme and therefore any unused earmarked reserves will need to be set aside for this purpose.
11. **Annex 6** summarises the current situation relating to voluntary staff departure.
12. **Annex 7** summarises the details of additional budget pressures facing the MPS at present. This includes the planning assumptions on reimbursement of Kirken/Withern and RDA costs.
13. **Annex 8** contains details of the current status of MPS Major Change Programmes.
14. **Annex 9** contains details of internal and external Shared Services savings made by the MPS from a base in 2008/9.

15. **Annex 10** covers the change from the MPA to Mayor's Office of Policing and Crime.
16. **Annex 11** covers the Risk Assessment for the Planning Period.
17. **Annex 12** covers the Equalities Implications of the business plan process.
18. **Annex 13** covers the Draft Borrowing and Capital Spending Plan 2012/13 to 2014/15 (including the Prudential Indicators for the Metropolitan Police Authority and the Annual Statement of Minimum Revenue Provision

Revenue Position as at Period 6 - 2011/12

As at Period 6 the revenue budget is forecast to underspend by £5.7m (0.2% of budget) at year end. This position is before any account is taken of the budget resilience provision or the costs of Operations Kirkin and Withern.

The table below provides a summary of the forecast outturn position by expenditure and income type as at Period 6.

	Annual Budget £000s	Annual Forecast £000s	Forecast Variance £000s
Pay			
Police Officer Pay	1,847,291	1,838,968	-8,322
Police Staff Pay	602,454	593,246	-9,208
PCSO Pay	145,893	141,345	-4,548
Traffic Wardens Pay	4,119	4,401	282
Total Pay	2,599,757	2,577,960	-21,797
Overtime			
Police Overtime	101,804	100,908	-896
Police Staff Overtime	27,314	29,193	1,879
PCSO Overtime	551	931	380
Traffic Warden Overtime	215	233	19
Total Overtime	129,884	131,266	1,382
Total Pay & Overtime	2,729,641	2,709,226	-20,415
Running Expenses			
Employee Related Expenditure	77,137	77,756	619
Premises Costs	199,177	205,157	5,980
Transport Costs	62,754	64,971	2,217
Supplies & Services	437,547	444,771	7,224
Capital Financing Costs	53,501	47,562	-5,940
Discretionary Pension Costs	33,125	33,125	0
Total Running Expenses	863,241	873,341	10,100
Total Expenditure	3,592,882	3,582,567	-10,315
Income			
Interest Receipts	-800	-801	-1
Other Income	-294,435	-296,908	-2,473
Total Income	-295,235	-297,709	-2,474
Net Expenditure	3,297,647	3,284,858	-12,789
Specific Grant	-495,382	-488,273	7,109
Net Revenue Expenditure	2,802,266	2,796,585	-5,681
Transfer to/(from) Earmarked Reserves	-89,266	-89,265	0
Transfer to/(from) General Reserves			0
Total MPS Budget Requirement	2,713,000	2,707,320	-5,680

Whilst the total Pay and Overtime budgets are forecast to underspend by £20.4m, non pay Running Expenses are forecast to overspend by £10.1m. This is principally within Premises Costs (£6.0m) due to an increased forecast for rates following a detailed review; and Supplies and Services (£7.2m) due to expenditure of the TP Development Programme. These overspends are partially offset against an underspend of £5.9m within Capital Financing costs linked to a decision to fund capital expenditure in 2010/11 from capital reserves rather than borrowing.

The current MPS budget for 2011/12 takes into account savings and efficiencies agreed for year 1 of the 2011-14 Policing London Business Plan. The majority of such reductions were within the major change programmes underway. These have a target of delivering £140.4m of savings in this financial year. At Period 6 the majority (£123.5m) of the savings are forecast to be delivered. Work continues to maximise savings on these programmes in the current year.

Letter from the Mayor - 26h May 2011

ANNEX 2

GREATER LONDON AUTHORITY

Mayor's Office

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Kit Malthouse AM
Chairman
Metropolitan Police Authority
10 Dean Farrar Street
London SW1Y 0NY

Date: **26 MAY 2011**

Dear Kit

Budget Guidance 2012-13

The purpose of this letter is to issue the Budget Guidance for 2012-13 to you as Chairman of MPA.

The key element of this year's guidance for the MPA is that I am requiring the Authority to agree savings proposals of £92.6m for 2012-13 before the end of September 2011. This deadline is in order that I might issue a full consultation on my budget proposals in October. I know you will do all in your power to meet this requirement in an appropriate and timely fashion.

We have achieved much over the last three years in both improvements to service delivery and value for money and I know we will strive to do more in both these areas over the final year of this administration.

Yours ever,



Boris Johnson
Mayor of London

Copies to: MPA Chief Executive
MPA Treasurer
MPS Commissioner
MPS Director of Resources
Assistant Director – Finance, CLA

Enc.

Direct telephone: 020 7983 4100 Fax: 020 7983 4057 Email: Mayor@london.gov.uk

Letter from the Mayor - 27th October 2011 and extract from planning timetable

GREATER LONDON AUTHORITY

Mayor's Office

Kit Malthouse

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10 Dean Farrar Street
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Date: **27 OCT 2011**

Dear Kit

2012-13 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 (the GLA Act). It also allows me to specify additional requirements for your full and final budget submission due on 18 November 2011.
2. The Localism Bill is expected to receive Royal Assent in November, but, subject to exceptions which do not affect the GLA budget process, its provisions will not come into force until a day appointed by the Secretary of State. It is unlikely that the relevant provisions of the Localism Bill will be in force before, at the earliest, the middle of January 2012, and the budget setting process for 2012-13 clearly has to be at an advanced stage by then. Further, while there are numerous changes due to be made by the Localism Bill to sections 85-89 and Schedule 6 of the GLA Act, including the replacement of references to "budget requirements" by references to "council tax requirements", the concepts of "draft component budgets" and "draft final budgets" remain, under those names.
3. As you know, the MPA is due to be replaced by the Mayor's Office for Policing and Crime. This will take place on a date to be determined, when the relevant provisions in the Police Reform and Social Responsibility Act 2011 (the PRSR Act) come into force under an order by the Secretary of State. However, the GLA's Act's provisions relating to the MPA have not yet been amended by the PRSR Act, and the draft component budget for the MPA therefore still requires to be set under the existing provisions of the GLA Act.
4. Following the coming into force of amendments to be made to sections 85 to 89 of the Greater London Authority Act 1999 by the Localism Bill, I will be required to set a component council

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tax requirement (i.e. the amount met from the precept) for each functional body rather than a budget requirement (which was gross of general grant income from formula and Home Office police grant). Under the existing law I am required to set a budget requirement for 2012-13, and I propose to prepare a draft budget requirement for the Metropolitan Police Authority of **£2,599.5 million for 2012-13**. For comparison, I propose to prepare a draft Council Tax Requirement for the Metropolitan Police Authority of **£709.6 million for 2012-13**. This is £30m higher than as set out in my Budget Guidance issued in May but this additional support is only available for 2012-13. My proposed Council Tax Requirements for the MPA for 2013-14 and 2014-15 remain as in my guidance in May but remain subject to the Government finalising the Police and Local Government Finance Settlement for these years.


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7. I expect that you will make a full and final budget submission that will include all the information specified in my Budget Guidance issued in May. This is to include information previously requested to be received by 30 September but which in the light of the exceptional disturbances in August I agreed to defer. In addition, I set out below some additional requirements that need to be included in your response by 18 November 2011:
 - Details of how you have addressed your equality duties in making your budget proposals;
 - Details of how your budget proposals support the Mayor's strategies to promote the improvement of the environment.

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8. I will be setting new and revised targets for savings to be made from shared services and collaborative procurement once the analysis of your submissions on this issue has been completed. Where the original shared services and collaborative procurement savings have not been met, I will set an explicit balance of savings target to be met by your Authority in the Budget Consultation Document to be issued in December. In order to do so I will be requesting additional information to supplement your previous submissions.
9. In order that I may respond to the Assembly's pre-Budget report can I also receive your response by 18 November 2011 to the following information requests from the Chairman of the Budget and Performance Committee:
- Information about how savings requirements in 2013/14 and 2014/15 were taken into account in the 2012/13 budget and what approach will be taken in finding them;
 - The budgetary implications for 2012-13 of the additional costs relating to the August disturbances;
 - An account of additional costs relating to the August disturbances and the extent and terms of Government re-imburement;
 - Sufficient information to enable the effect of police savings proposals on operational capacity to be assessed; and
 - An assessment of London 2012-related costs and associated financial risks.
10. Please send the information specified in this letter to David Gallie, Assistant Director – Finance at the GLA (email:david.gallie@london.gov.uk) by 18 November 2011.

Yours ever,



Boris Johnson
Mayor of London

Copies to: Chief of Staff
Chief Executive of the MPA
Commissioner of the MPS
Treasurer of the MPA
Director of Resources of the MPS
Assistant Director – Finance, GLA

Extract from Planning Timetable

18 November	Assembly/FBs responses received to draft budget proposals issued, including full and final budget submissions from the FBs on all other aspects of 2012-13 Budget as specified in Appendix D.
15 Dec	Publication of draft consolidated budget, including Capital Spending Plans and borrowing limits. Statutory scrutiny of Mayor's budget proposals starts.
25 Jan	Assembly to consider draft consolidated budget.
9 Feb	Assembly final consideration of consolidated budget, including Capital Spending Plans and borrowing limits.
28 Feb	Last date to set GLA precept and issue the Mayor's Statutory Capital Spending Plan.

SUMMARY OF MEDIUM TERM FINANCIAL PLAN 2012-15**ANNEX 3**

	2012/13	2013/14	2014/15
	£m	£m	£m
PLBP 2011-14 Budget Gap*	92.8	174.3	174.3
Reduction in Home Office Grant			29.4
Inflation			74.4
Revised Budget Gap	92.8	174.3	278.1
New Growth	40.9	26.5	31.4
New Savings proposals			
- Inanimates	-13.9	-26.6	-25.5
- Process improvement	-22.3	-49.3	-66.3
- Operational capability	-16.4	-53.5	-90.0
Total Savings proposals	-52.6	-129.4	-181.8
Additional growth to achieve the Mayor's ambition of 31,957	34.4	73.4	98.5
Additional Precept Income	-30.0		
2012-15 Budget Gap	85.5	144.8	226.2

* The 2011-14 Budget Gap is after allowing for £323m of committed savings for 2014/15 from the 2011-14 Policing London Business Plan.

POLICE OFFICERS AND STAFF DEPLOYMENT - Before the budget gap is closed.

	2011/12	2011/12 Revised	2012/13 Budget	2013/14 Budget	2014/15 Budget
Police Officers	32,320	32,189	31,344	30,546	30,064
Mayoral ambition to maintain officer numbers			613	1,411	1,893
Total Police Officers	32,320	32,189	31,957	31,957	31,957
Police Staff	14,806	14,871	14,214	13,777	13,575
PCSOs	3,825	3,825	3,444	3,422	3,419
	50,951	50,885	49,615	49,156	48,951
Special Constables	6,667	6,667	6,667	6,667	6,667
TOTAL	57,618	57,552	56,282	55,823	55,618

Summary of Service returns

- Service returns indicate an emerging theme of savings with the potential to impact across a number of Business Groups or the entire MPS. These are on top of existing Major Change Programme Plans such as Corporate Real Estate, F&R2, Business Procurement Plans and HR realignment to DCP and DoR which are already in train to deliver savings from MPS-level synergies and efficiencies. These new themes include:
 - Extending TP operational support services across groups of boroughs or as pan-London services in future years building on existing projects to increase existing benefits.

- Rationalisation of functions across the MPS (e.g. CBRN, Intelligence)
 - Managing demand for specialist units (e.g. Horses, Dogs, ASU etc)
 - Opportunities relating to CT Grant.
 - Exploring a move to a national provision of language services by Customer and Commercial Services.
2. A number of the proposals relate to themes that apply to a number of Business Groups, i.e. intelligence, performance etc.
3. The Service was required to set out proposals that would deliver total additional savings of £278.1m by 2014/15. Details of the proposals with the total amounts of savings proposed for 2012-15 are provided in the tables that follow. Whilst savings have been identified at Business Group level they reflect the impact of major change programmes that have been carried out across the Service.
4. In addition to the savings shown in the savings shown below, the 2012-15 Policing London Business Plan also includes committed savings from the 2009-12 to 2011-14 Policing London Business Plans, these include reductions for inanimate costs including the following:-
- Estate Management (**£141m**)
 - Human Resources (including Training **£188m**)
 - ICT (**£342m**)
 - Catering (**£49m**)
 - Finance and Resources (**£33m**)

Growth Proposals (see below tables for detailed descriptions of growth items)

Description	Amount			Establishment								
	2012/13 £000s	2013/14 £000s	2014/15 £000s	Police Officers			Police Staff			PCSO		
				2012/13 No.	2013/14 No.	2014/15 No.	2012/13 No.	2013/14 No.	2014/15 No.	2012/13 No.	2013/14 No.	2014/15 No.
Inanimates												
2010/11 underspend below target level of £11m	3,400											
IT Contractual Inflation	2,000	2,000	2,000									
IT Systems			5,000									
TOTAL Inanimates	5,400	2,000	7,000									
Operational capability												
Diamond Jubilee	14,900											
Major Change Programme Training reprofile of savings and staff changes	3,802	1,005	861	-64	-73	-73	121	121	121			
Revised Income Projections	911	911	911									
Terrorism Prevention and Investigation Measures (TPIMS) - New CT Grant Funding	0	0	0	97	95	95	19	13	11			
TOTAL Operational capability	19,613	1,916	1,772	33	22	22	140	134	132			
Process Improvement/Outsourcing												
Terms and Conditions (Police Staff)	8,300	12,300	12,300									
IT Systems - Growth	5,270	7,870	7,870									
Improving Police Information (Borough Intelligence Unit portal)	1,400	1,400	1,400									
Multi Agency Safeguard Hub	1,000	1,000	1,000									
TOTAL Process Improvement/Outsourcing	15,970	22,570	22,570									
Total Growth	40,983	26,486	31,342	33	22	22	140	134	132			

Description	Amount			Establishment								
	2012/13 £000s	2013/14 £000s	2014/15 £000s	Police Officers			Police Staff			PCSO		
				2012/13 No.	2013/14 No.	2014/15 No.	2012/13 No.	2013/14 No.	2014/15 No.	2012/13 No.	2013/14 No.	2014/15 No.
Mayoral Ambition to maintain 31,957 Police Officers	34,400	73,400	98,500	613	1,411	1,893						
Grand Total	75,383	99,886	129,842	646	1,433	1,915	140	134	132			

The total growth proposals are **£75.4m** for 2012/13, of which Territorial Policing **£2.9m** (4%), Central Operations **£0.9m** (1%), Centrally Held **£63.0m** (84%), Directorate of Information **£4.7m** (6%) and Deputy Commissioner's Portfolio **£3.9m** (5%).

The Centrally Held Growth includes:

£34.4m to fund the mayoral ambition to maintain 31,957 police officers.

£14.9m to fund the policing of the Diamond Jubilee.

£8.3m to replace funding previously given up in relation to Police Staff Terms and Conditions.

Explanation of Growth items -

The following paragraphs provide some further explanation of the major growth items included in the 2012-15 PLBP:

2010/11 Underspend issue - a target of £11m underspend was set for the organisation in 2010/11 which was to be used to in 2011/12 and 2012/13 to support net revenue expenditure. As this target was not fully achieved, a pressure now exists in 2012/13.

IT Contractual Inflation - this represents the inflation on the MPS's ICT contract that is contractually committed and based on a variation of the main Retail Price Index.

IT Systems Projects in to Service (PINS) - this is the forecast additional cost, in revenue terms, of the additional capital investment in the final year of the plan.

Diamond Jubilee - this is the forecast additional costs of the celebrations in 2012/13 and is based on costing approximately four times the costs of the recent Royal Wedding.

Training Programme - this represents a reduction in the level of savings included for the training major change programme as part of the 2011-14 Policing London Business Plan.

Income - this principally represents revisions to projected income from special service agreements and motor insurance bureau charges.

Terms & Conditions - this is a revision to the savings for police staff terms and conditions included as part of the 2011-14 Policing London Business Plan. This has partly been offset by additional savings on police staff budgets.

Improving Police Information (IPI) - relating to the Borough Intelligence Unit portal.

IT Systems Growth - includes such items as non delivery of savings on the IPI project and the messaging project.

Multi Agency Safeguard Hubs (MASH) - The project co-locates safeguarding agencies and other data, into a secure assessment, research and referral unit for notifications of vulnerable children. The MASH project is funded from a redirection of £1m from the Child Sexual Offenders Disclosure (CSOD) project for which funding is no longer required

Reduction Proposals (see below tables for detailed descriptions of reductions)

Description	Amount			Establishment									
	2012/13 £000s	2013/14 £000s	2014/15 £000s	Police Officers			Police Staff			PCSO			
				2012/13 No.	2013/14 No.	2014/15 No.	2012/13 No.	2013/14 No.	2014/15 No.	2012/13 No.	2013/14 No.	2014/15 No.	
Inanimates													
Capital Financing Costs	-7,100	-11,100	-7,900										
MPS contribution to NPIA	-4,000	-5,000	-5,000										
Employer's National Insurance contributions	-2,000	-2,000	-2,000										
Increase in Loan Charges Grant*	-800	-400											
Police Officers contributions towards ATOC costs		-8,100	-10,600										
TOTAL Inanimates	-13,900	-26,600	-25,500										
Operational capability													
Territorial Policing Development	-9,223	-40,083	-63,942	-201	-679	-919	120	-105	-289	-252	-274	-277	
Territorial Policing efficiencies / restructuring	-1,500	-2,000	-12,500	-31	-41	-171	0	-25	-25				
Specialist Crime Directorate realignment	-2,168	-2,644	-4,845	-29	-50	-57	-13	-25	-35				
Central Operations efficiencies / restructuring	-1,984	-7,333	-7,243	-11	-81	-81	-42	-66	-66				
Madeline McCann Investigation - additional income	-1,500	-1,500	-1,500										
TOTAL Operational capability	-16,375	-53,560	-90,030	-271	-851	-1,228	65	-221	-415	-252	-274	-277	
Process Improvement/Outsourcing													
Winsor review	-8,000	-15,000	-15,000										
Review of Specific Grant	-5,000	-5,000	-5,000										
Specialist Crime Directorate process changes	-2,888	-4,654	-6,421	-27	-50	-72	-20	-20	-20				
Finance and Resources Modernisation	-1,700	-3,600	-3,600				-121	-121	-121				
Professional Service Provider	-1,313	-5,250	-5,250				-20	-90	-90				
Uniform Costs	-1,000	-1,000	-1,000										

Description	Amount			Establishment								
	2012/13 £000s	2013/14 £000s	2014/15 £000s	Police Officers			Police Staff			PCSO		
				2012/13 No.	2013/14 No.	2014/15 No.	2012/13 No.	2013/14 No.	2014/15 No.	2012/13 No.	2013/14 No.	2014/15 No.
Deputy Commissioner's Portfolio efficiencies / restructuring	-979	-1,759	-2,993	-6	-11	-25	-16	-16	-22			
IT Systems	-922	-1,468	-5,468									
Resources efficiencies / restructuring	-541	-541	-541	2	2	2	-8	-8	-8			
Next generation of Major Change Programme		-10,000	-20,000									
RAVEC Review						-71						
Directorate of Public Affairs efficiencies / restructuring		-1,000	-1,000									
TOTAL Process Improvement/Outsourcing	-22,343	-49,272	-66,273	-32	-60	-166	-185	-255	-261			
Grand Total	-52,618	-129,432	-181,803	-303	-910	-1,394	-119	-475	-675	-252	-274	-277

* Note that this item is not classed as a saving within Appendix 1 Changes to Spending Plans Table.

The total savings proposals are **£52.6m** for 2012/13, of which Territorial Policing **£10.7m** (19%), Specialist Crime Directorate **£6.6m** (13%), Specialist Operations **£5.0m** (10%), Central Operations **£2.0m** (4%), Centrally Held **£14.0m** (26%), Directorate of Resources **£12.4m** (24%), Directorate of Information **£0.9m** (2%) and Deputy Commissioner's Portfolio **£1.0m** (2%)

Explanation of Savings items -

The following paragraphs provide some further explanation of the major growth items included in the 2012-15 PLBP:

Capital Financing Costs - this represents reductions in costs based on revised assumptions around the level of borrowing and the interest rates payable on external loans.

MPS Contribution to NPIA - this represents a saving against the original planning assumption included within the 2011-14 Policing London Business Plan. The adjustment has been made based on latest information provided by the NPIA regarding the costs to be passed on to the MPS as part of the new funding arrangements.

Employer's National Insurance - this is a reduction to a previously agreed growth items after a detailed recalculation of the additional costs payable under the legislation introduced in 2010.

Police contributions towards ATOC - this represents the proposal to require police officers to make a contribution towards the costs of free rail travel.

Territorial Policing Development - the savings represent the ongoing delivery of this major change programme, these are additional savings to those identified in the 2011-14 Policing London Business Plan

TP Efficiencies/Restructuring - relates to savings on the child sex offender disclosure process and savings on TP headquarters.

Specialist Crime Realignment - the savings represent the ongoing delivery of this major change programme.

Central Operations efficiencies/restructuring - includes items such as reductions in the response to damage only collisions and rationalisation of management support functions.

Winsor Review - this represents the savings relating to the review assuming that a full year saving will not be achievable until 2013/14.

Specific Grant Review - this represents a review of expenditure funded through specific grant to ensure that the grant is allocated in the most appropriate way.

Finance & Resources Modernisation - this represents the additional savings identified as part of this budget process for the project to modernise the function, these are additional savings to those identified in the 2011-14 Policing London Business Plan

Madeleine McCann investigation - this is the additional income received from the Home Office to fund the ongoing investigation.

Professional Service Provider - this is for the provision of specialised services which is extending the MPS's work in re-engineering support services into a

centralised Professional Service Provider model to provide enhanced support services that respond to real operational needs.

Uniform Services - this represents contract price reductions for delivering uniform services within the MPS.

Deputy Commissioner's portfolio efficiencies - this represents savings across the directorate.

IT systems - this principally represents additional savings in year three of the plan from rationalisation of IT systems.

Resources efficiencies - this principally relates to savings from restructuring within the directorate.

Next generation of Major Change Programmes - this represents the next generation of programmes and the additional savings that will be delivered. Further details on these programmes will be available in due course.

Directorate of Public Affairs restructuring - this represents the expected reduction due to review of staffing and publicity requirement post Olympics.

Workforce Implications

1. The current 2011-14 Business Plan reflects a deployment plan movement **before the budget gap is closed** as follows:

	2011/12	2012/13	2013/14
Police Officer	32,320	31,638	31,460

2. The movement between 2011/12 and 2012/13 equates to an agreed reduction of 682 officers reflecting:

- A reduction of 358 Police Officer numbers at the end of the Olympic Period.
- A reduction of 100 Police Officer numbers linked to the Corporate Training Major Change Programme.
- A reduction of 100 Police Officer numbers linked to the reduction in management structures for Neighbourhood Policing.
- Other reductions of 124 across all Business Groups.

As reflected in the submission, every effort is being made to maintain operational capability.

3. The current proposals for 2012-15 would result in the following revision to the 2012/13 deployment plan set out overleaf. However, in the absence of further grant or precept income, officer, PCSO and staff numbers would currently have to reduce to bridge the current budget gaps.

Workforce Implications

	Police Officers			Police Staff			PCSOs		
	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
2011-14 Approved Deployment Plan	32,320	32,320	32,320	14,806	14,806	14,806	3,825	3,825	3,825
Full Year Impact of the 2011-14 process	-682	-860	-860	-596	-671	-671	-100	-100	-100
Budget Moves	-24	-25	-24	-17	-17	-17	-29	-29	-29
Growth									
Operational capability	33	22	22	140	134	132			
Total Growth	33	22	22	140	134	132	0	0	0
New Reductions									
Operational capability	-271	-851	-1,228	65	-221	-415	-252	-274	-277
Process improvement/outsourcing	-32	-60	-166	-185	-255	-261			
Total New Reductions	-303	-910	-1,394	-119	-475	-675	-252	-274	-277
Revised Establishment	31,344	30,546	30,064	14,214	13,777	13,575	3,444	3,422	3,419
Officers required to meet Mayoral ambition	613	1,411	1,893						
Mayoral ambition Establishment	31,957	31,957	31,957	14,214	13,777	13,575	3,444	3,422	3,419

4. **It should be noted that the above workforce figures still relate to a scenario with significant budget gaps in all three planning years.** Therefore, there will be a further impact on staffing levels to bridge the current budget gaps.

Police Officers

5. Whilst the Medium Term Financial Plan 2012-15, does not specifically identify a target strength for 31 March 2012, many of the savings identified in 2012/13 are full year and therefore should be in place by 1 April 2012. This implies a target strength for 31 March 2012 much closer to 31,368 than 31,957 and if we achieve that strength without having secured additional funding it will present budget pressures in 2012/13.
6. Following the pause in recruitment during 2010, the recruitment activity to deliver the Deployment Plan target strength, focussed on the internal pools of PCSO and MSC, this supported the budget strategy for 2011/12 which reduced the PCSO strength and specifically targeted this group to avoid redundancy costs.
7. The move to the new model of Police Recruitment and Training was agreed by the Management Board in early 2010 and subsequently by the MPA in September 2010. The report made it clear that there was a transitional period to October 2011 during which time no new recruits would be in a position to join. Consequently at the 2011/12 recruitment would have to take place during the last six months of the financial year, placing significant pressure on Training School capacities.
8. The recruitment activity, necessary to achieve the mayoral ambition to maintain a police officer strength of 31,957 throughout the planning period, has been developed and could deliver the required 32,320 officers by 31 March 2012, if the Service has certainty about future funding in a timely manner. The plan includes an ambitious training schedule for selected MSC and PCSOs alongside an advertising campaign to attract skilled and experienced police officers from other Home Office forces. However, if additional funding is not identified, the plans are sufficiently flexible to allow the Service to pause or stop all recruitment activity. It should also be noted that recruitment activity will be paused during the Olympic period.

PCSO

9. The approved Deployment Plan 2011-14 for PCSOs shows an establishment of 3,725 for 2012/13. The revised establishment at 31 March 2013 is 3,444. This reduction will be achieved as this group have been targeted to train as police officers to avoid redundancy costs.

Police Staff

10. The approved 2011-14 Policing London Business Plan included a reduction of police staff posts from a revised establishment of 15,396 in 2010/11 to a

planned establishment of 14,135 by 2013/14, i.e. an overall reduction of 1,261 posts. These reductions have been largely delivered by Phases 1 to 2c of the MPS's approved voluntary departures programme.

11. In addition, the current 2012-15 budget proposals will reduce the establishment further, i.e. to an overall establishment of 13,575 by the end of 2014/15 (9,450 Operational staff and 4,125 Support Groups staff). Future phases of the voluntary departure programme will, subject to funding, deliver the required reduction in posts.
12. In overall terms, police staff establishment will reduce by approximately 12% between 2010/11 and 2014/15. This compares to maintaining police officer establishment over the same period. **It should be noted that the 2012-15 budget process is not yet completed and budget gaps still exist in all years, therefore the reductions in establishment are likely to increase.**

Reserves Update

ANNEX 5

	Balance at 01-Apr-11 £'000	Actual and forecast transfer to Reserves in 2011/12 £'000	Actual and forecast transfer from Reserves in 2011/12 £'000	Forecast balance at 31-Mar-12 £'000	Note	Forecast transfers to/from Reserves in 2012-13 £'000	Forecast Balance at 31-Mar-13 £'000	Note
Earmarked Revenue Reserves								
Accommodation strategy/Property related costs								
Dilapidations	-12,727		7,000	-5,727			-5,727	
Property Related Costs	-26,412		10,541	-15,871		3,120	-12,751	
Total of Accommodation strategy/Property related costs	-39,139	0	17,541	-21,598		3,120	-18,478	
Operational costs								
Communications Project	-3,081		2,067	-1,014			-1,014	
Airwave	-5,344		1,813	-3,531		859	-2,672	
Insurance	-6,599	-426		-7,025	1	-426	-7,451	
Operational Costs	-36,443		14,303	-22,140		7,969	-14,171	
Legal Costs	-233		233	0			0	
POCA	-1,512			-1,512			-1,512	
Total of Operational costs	-53,212	-426	18,416	-35,222		8,402	-26,820	
Budget Pressures								
Budget Pressures	-75,009	-9,720	71,422	-13,307	2	5,346	-7,961	
Total of Budget Pressures	-75,009	-9,720	71,422	-13,307		5,346	-7,961	
Major change programmes								
Modernisation Programmes	-28,881		28,881	0			0	
Total of Major change programmes	-28,881	0	28,881	0		0	0	
MPA initiatives								
MPA	-2,797		2,797	0			0	
Total of MPA initiatives	-2,797	0	2,797	0		0	0	
Total Earmarked Reserves before Emergencies Contingency Fund	-199,038	-10,146	139,057	-70,127		16,868	-53,259	3
Emergencies Contingency Fund								
Emergencies Contingency Fund	-23,093			-23,093			-23,093	
Total Emergencies Contingency Fund	-23,093	0	0	-23,093		0	-23,093	
Total Earmarked Revenue Reserves including Emergencies Contingency Fund	-222,131	-10,146	139,057	-93,220		16,868	-76,352	
Net movement in Earmarked Revenue Reserves		128,911				16,868		
General Revenue Reserve	-47,483		13,000	-34,483		11,000	-23,483	
Net Movement in Revenue Reserves		141,911				27,868		

Notes

1. Reflects insurance proposals to be submitted to MPA Finance & Resources Committee on 17 November 2011.
2. Voluntary Departure costs funded from Budget Pressures Reserve. Assumes period 6 forecast underspend (£5.7m) to be transferred to Budget Pressures.
3. Whilst the forecast balance of Earmarked Reserves as at 31 March 2013 is £53.3m, this takes no account of the potential costs of future phases of the Voluntary Early Departure scheme.

The 2012-15 Policing London Business Plan reflects the deletion of a significant number of staff posts. To support this level of change, further provision needs to be made available in the Budget Pressures reserve. The Service is therefore carrying out a detailed review of current earmarked reserves with the aim of releasing resources to the Budget Pressures reserve to cover the potential costs of future staff departures. Within this context, the explanation of existing earmarked reserves is set out below.

Explanations of Reserves**Accommodation strategy/Property related costs**Dilapidations

The reserve will be used to fund future expenditure on properties the leases for which have been terminated and result in additional costs.

Property Related Costs

The reserve reflects the requirement to provide for the cost of undertaking various building related projects.

Operational costs

Communications Project

Monies set aside to provide for the development of an integrated communications system for the MPS.

Airwave

The reserve provides for the implementation, enhancement and development of radio communication.

Insurance Reserve

To provide for the Motor and Property Insurance strategy, together with Personal Insurance Indemnity cover for Police Officers and Staff.

Operational Costs

The reserve provides for a number of planned operational activities.

Legal Costs

To provide for the costs of potential law suits.

POCA

Proceeds Of Crime Act - A reserve funded from proceeds of crime to provide for certain categories of operational activities.

Budget Pressures

Budget Pressures

This reserve is to meet specific unbudgeted pressures, including the Voluntary Early Departure Scheme.

Major change programmes

Modernisation Programmes

This reserve funds various modernisation programmes, including Service Improvement and Transforming Human Resources.

MPA initiatives

The reserve will be used to support Metropolitan Police Authority projects including transition costs arising from the establishment of the new Mayor's Office for Policing & Crime.

Emergencies Contingency Fund

An earmarked reserve, available to assist in exceptional circumstances to support operational requirements not normally budgeted for.

General Revenue Reserve

This reserve was established to provide cover for emergencies and contingencies. The reserve, together with the emergencies/contingencies fund, is to be maintained at least at 1.5% of the net revenue budget as agreed as part of the 2011-14 budget planning process as explained in the reserves analysis earlier in this document.

Early Departures

ANNEX 6

The voluntary early departure scheme is aimed at specific target groups and is open to all staff within these groups who possess at least one years' service. The Trade Unions support the use of voluntary early severance / retirement schemes and approximately 1,200 Staff have left since November 2010 under these schemes with a further 742 staff are expected to leave by March 2012.

The savings reflected in the 2012/13 budget are dependent on a significant reduction in staff posts. To facilitate this process, the Authority has allowed access to earmarked reserves of £53.2m to support the Service's early departure scheme. A further £4m transfer to this reserve was approved by the Authority as part of the Period 4 process taking the overall available funding to £57.2m. It is estimated that the overall costs of voluntary exits and redundancies for the approved phases will, based on 100% take up, amount to £63m. However, £2.7m of the Phase 1 costs relate to future years and will be managed within existing budgets. In addition, experience indicates that take up will be less than 100% and costs are expected to be managed within the available funding of £57.2m. However, staff savings agreed as part of the 2012-15 budget process are expected to involve more voluntary departures and will increase the requirement for additional funding. The Earmarked reserve will be exhausted by March 2012 and further resources will be required for future Voluntary Early Departure schemes. The forecast of reserve balances at 31 March 2013 takes no account of the potential costs of future schemes. Additional voluntary departure programmes will require the use of existing earmarked reserves as explained earlier.

Additional Budget Pressures**ANNEX 7**

In considering this potential package the overall financial position for the Service must be recognised in terms of uncertainties and unfunded pressures including:

Pressure	£m
Kirkin and Withern	90
Riot Damages Act	300
Weeting / Elveden (per year)	4
Appleton (per year)	4
Early Departures (including PCSOs) (per year)	50
Pay awards 2014/15 onwards (3% allowed in planning assumption)	Unknown

The current MPS planning assumption is that the costs relating to Operations Kirkin and Withern and those under the Riot Damages Act will be met, in full, from central Government funds.

Background to Riot Damage Act (RDA)

Under the RDA 1886, a police authority in England and Wales becomes liable to pay for damages to buildings and their contents when a riot has taken place. A riot is determined by section 1 of the Public Order Act 1986 (1) *"Where 12 or more persons who are present together use or threaten unlawful violence for a common purpose and the conduct of them (taken together) is such as would cause a person of reasonable firmness present at the scene to fear for his personal safety....."*

Compensation under the RDA does not apply to personal injury, loss of business or damage to property outside of buildings save that which is on "premises appurtenant to the same". Also, the RDA is based upon geographical location of the building where the damage took place (thus the G20 claims being referred on to the City of London Police).

Claims for compensation (in the form of subrogation from the buildings insurers) have to be made to the police authority within 14 days of a riot. Police authorities are generally expected to meet the cost for riot damage compensation from their reserves.

Following the parliamentary debate the Home Secretary wrote to the Chair of each Police Authority on 12th August 2011 reiterating Central Government's desire to compensate both insured and uninsured claimants.

The Home Secretary has amended the regulations relating to the RDA to extend the time for submitting claims to 42 days.

The Home Secretary has agreed that the government will reimburse the costs involved in uninsured claims (payments, claims handling and any litigation costs) but negotiations are continuing in relation to insured claims, which are likely to form the largest part by value.

Major Change Programmes**ANNEX 8****TP DEVELOPMENT PROGRAMME**

The TP Development Programme underpins significant savings within this Policing London Business Plan. The following table summarises these savings from Annex 4 and sets them in the context of savings already committed to in the 2011-14 Policing London Business Plan.

Description	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s
TP Development savings in 2011-14 PLBP	-26,200	-43,100	-54,800	-54,800
Total additional savings in 2012-15 PLBP		-9,223	-40,083	-63,942
Total TP Development savings	-26,200	-52,323	-94,883	-118,742

OBJECTIVE

The Territorial Policing Development Programme vision is to develop and implement a more cost effective model for policing that will deliver excellent local services for people, who live, work in and visit London.

DESCRIPTION

Since 2010, the programme has driven forward a group of projects (currently 15) aimed at realising savings to meet MTFP whilst maintaining or improving service. Some projects involve process improvement, others focus on rationalising management layers, and some involve sharing services across boroughs.

During 2011, an operating model is being developed that will enable further efficiency savings in the years to 2015 by increasing the scope and scale of shared services. The next tranche of projects is now being designed to deliver this step change in how TP operates.

Crime reduction, community engagement / SNTs / partnership working, response policing and investigation of low / medium complexity, high volume crime will be delivered and managed by each borough.

Operational support services will be delivered as shared services by a number of boroughs for the benefit of others. The functions that we plan to be delivered in this way include resource management, events planning, intelligence, and performance.

Pan London services are those that are delivered by a single function to the whole organisation. Examples of these services are CCC, CRIB and elements of prosecution services.

TPHQ will be streamlined and will focus on delivering clear strategy, policy and a strong, action-focused audit service. TPHQ will set the direction of TP and commission activity (both operational and non-operational) to meet TP priorities, and will include a TP secretariat that provides TP with the support & information to effectively manage its business and enable governance to be appropriately applied.

The TP Development Programme is working closely with other areas of MPS to coordinate with other change programmes and to identify additional opportunities to share services across business groups.

OVERALL STATUS

Six of the projects in the programme have begun to implement, launching early departure schemes for staff and selection processes for police officers, as functions are reorganised on borough and at TPHQ.

The programme has developed a business change strategy and tools to work with borough change teams to analyse the impact of each project on borough and to develop local business change plans.

Operation Kirkin has drawn heavily on project and programme resources, resulting in a delay to the programme of approximately one month. The financial impact of revisions to implementation schedules or rescheduling approvals of business cases is being assessed.

Kirkin has nevertheless provided opportunities for the programme to bring forward some of the new ways of working and to assess the resilience of the proposed operating model (pan - London services in particular). A Custody allocation pod has been established in Lambeth CCC. Other innovations have been trialled, and there is wider acceptance of cultural changes required, including the need for officers to book on and off and be available for deployment.

The programme is in good shape to drive forward the planned changes in 2011/12 and to mobilise the next tranche of projects in 2012/13. The shape of the programme will change during 2012 from a set of 15 individual projects to groups of projects aligned to the four levels of service delivery in the operating model, and a cultural change strand.

PROJECTS

Project	Current Status	Description
TPHQ Phase 1	Implementation (near completion)	Reorganise the Crime, Performance and Safer Neighbourhoods OCUs into one command of Crime and Customer Strategy (CCS).
TPHQ Phase 2	Scoping and detailed design	2012/13 Savings: £4,276,000 Create a lean strategic centre that sets the direction for the new structures designed as part of the operating model.
Crime Response Investigation Bureau (CRIB)	Implementation (phase 1) but next phase delivers 2012/13 savings - not yet	2012/13 Savings: £500,000 Movement of borough-based telephone investigation and specific crime management functions to a pan-London service, which will investigate all crimes suitable for telephone investigation, make initial screening decisions and confirm all crime classifications. Close all local TIBs, reduce staff in telephone investigation and reduce staff in TP crime

Project	Current Status defined.	Description management posts.
Custody	Implementation (phase 1)	2012/13 Savings: £10,400,000 Professionalising custody service delivery through full time teams, centralising cell allocation, aligning capacity more closely to demand, and rationalise custody estate to ensure higher levels of utilisation.
	but next phase delivers 2012/13 savings - not yet defined.	2012/13 Savings: £7,036,000
Duties	Implementation but other changes (eg Developing Training) have placed new demands on TP teams which put savings at risk.	Reduce the number of personnel employed in duties officers and realising the benefits offered by improved ICT. Standardising processes, improving performance and sharing services across some BOCUs. 2012/13 Savings: £1,695,000
IBO/CCC	Implementation	Migrate Command and Control functions of IBOs into CCC. Place end-to-end incident management under the control of CCC. Establish the role of full "controller" within CCC and remove the IBO supervisor role from BOCU. Move the deployment intelligence function from IBOs to CCC. Concentrating resource in CCC offers scale efficiencies whilst maintaining focus on "grip" and fast time deployment. 2012/13 Savings: £5,070,000
Intelligence	Implementation	New structure and roles in Borough Intelligence Units (BIU) to replace focus desks, offering flexibility, streamlined processes and fewer resources whilst maintaining or improving service to borough. 2012/13 Savings: £4,096,000
Investigation	Scoping/Business Case	Generate efficiencies in the application of the Victim Code of Practice, Crime Management Unit and CID. 2012/13 Savings: £3,500,000
Joint Prosecution Service	Scoping/Business Case	Exploit recent IT opportunities around electronic case files to significantly re-design structure and processes to enable effective and efficient joint working between police and the Crown Prosecution Service (CPS)
Public Access	Scoping/Business	A review of the ways in which the public can

Project	Current Status	Description
	Case	access MPS services, which ranges from calls and online contact to face-to-face meetings - this review includes looking at the role that police station front counters play. Savings are based on applying agreed principles for service needs on boroughs, resulting in reduced number of counters overall and fewer staff.
Public Protection (Phase 1 MASH)	Implementation	2012/13 Savings: £6,293,000 Creation of pilot 'hubs', which will bring together safeguarding professionals in one secure location with Local Authority Children's Services Department, with the aim of better sharing information and managing risk associated with families and children with complex needs.
Response	Piloting during 2011. Business case for 2012 changes to be developed.	2012/13 Set up costs: £1,000,000 Create specialist emergency response teams as well as local policing teams. Match the numbers and shifts of response teams to demand.
Safer Neighbourhoods	Implementation	2012/13 Savings: £3,800,000 Review Safer Neighbourhoods Teams. Consultation on a framework that will maintain local focus but allow more flexibility in deployment and a leaner management structure.
Operating Model	Scoping	2012/13 Savings: £9,500,000 Design of a network of Operational Support Services across TP, managed by a number of Boroughs. Delivery of pan-London services.
Performance	Business Case approved - beginning implementation	2012/13 Savings: £3,000,000 Provide a suite of reports tailored to local needs. Realignment of work that does not directly impact on performance monitoring or analysis. Standardise and rationalise performance service across all 32 Boroughs. In 2012 will align performance function to the Shared Services Model.

SCD REALIGNMENT PROGRAMME**OBJECTIVE/DESCRIPTION**

To allow SCD to continue to deliver high quality specialist crime investigation and investigative support within impending budget constraints. At the end of the Programme, SCD will have a greater level of responsiveness and flexibility, and this will have been achieved within the constraints of a reduced budget.

Description	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s
SCD realignment savings in 2011-14 PLBP	0	-2,300	-5,500	-5,500
Total additional savings in 2012-15 PLBP		-5,056	-7,298	-11,266
Total SCD Realignment savings	0	-7,356	-12,798	-16,766

OVERALL STATUS

The scoping stage of the programme is nearing completion. Decisions on business cases for key proposals will be taken by SCD Command Team during a series of meetings in October and November, with ratification sought from Management Board on 28th November. Delivery dates, in terms of the financial year in which the savings or change will be delivered will be agreed as part of this process.

Work Strands	Current Status	Description of constituent projects
Specialist Crime Investigation	Scoping	Making savings in major investigation teams; enhancing 'wanted missing'/'manhunt' capability; rationalising community engagement and creating a special constabulary for specialist crime investigation.
Organised Crime	Scoping	Refocusing on core business by: transferring resources to Operation Trident to deal with an extended remit of gun enabled homicides; brigading financial investigation within SCD6 to optimise performance; seeking to transfer responsibility (in most cases, with resources) to Boroughs for licensing and street offences; combining computer images units to make savings and exploring alternative models for investigating stolen vehicle crime at reduced cost.
Strategic Risk Management and Specialist Crime Reduction	Scoping	Enhancing our ability to reduce serious and organised crime by creating a 'hub and spoke' model for crime reduction and improving management of offenders by piloting the concept of a Lifetime Offender Management capability.
Intelligence and Covert Policing	Scoping	Restructuring the delivery of covert human intelligence source handling to deliver savings; reducing the cost and improving the standard of quality assurance of covert authorities by creating a Command Area gatekeeper function; Exploring a range of further proposals aimed at making efficiencies and/or increasing flexibility.
Intelligence	Scoping	Developing a more cost effective model for delivering intelligence in SCD and developing Command level tasking to make the most of our operational assets.
SCD Operations	Scoping	Making the most of our operational resources by

Work Strands	Current Status	Description of constituent projects
Room		increasing oversight of all SCD assets and the co-ordination of those assets in response to incidents in the MPS.
Criminal Justice Performance	Scoping	Identifying the SCD requirement within the context of corporate reviews.
Workforce Deployment	Scoping	Reducing the ratio of managers to non-managers; exploring the opportunities for workforce modernisation; reviewing posts which attract a shift disturbance allowance reviewing shifts/duties against demand.
Business Support	Scoping	Reviewing residual local requirements in the light of shared services model for provision of HR and Financial Services.
Investigation	Scoping	Working with other operational business groups to review the end to end process of investigation
Provision of Forensics Science Services	Scoping/ implementation	Reviewing management structure, working patterns/terms& conditions, operating model and income generation.
Training	Scoping	Reducing the cost of training provided by the Crime Academy (not an SCD Realignment project, but contributing to Corporate savings in training).

KEY DELIVERABLES IN 2012/13

Workstream	Change to be delivered - subject to ratification at SCD Realignment Programme Boards during October and November and ratification by Management Board on 28th November.
Specialist Crime Investigation	Reactive assets rebalanced to reflect reduction in murder rate. Realisation of savings, with some reinvestment to enhance our ability to arrest wanted, missing offenders.
Organised Crime	Improved tasking to ensure proactive assets focused on priorities. Better alignment of financial investigation to serious and organised crime.
Strategic Risk Management and Specialist Crime Reduction	First tranche of hub and spoke model of crime reduction. Evaluation of Lifetime Offender Management pilot.
Intelligence and Covert Policing Intelligence	A new, brigaded structure for source handling.
SCD Operations Room	Command Area level Intelligence Units and core administration functions and new arrangements for tasking. A 24/7 intelligence support capability to critical incidents and crime in action
Criminal Justice Performance	Shared service model of delivery.
Workforce Deployment	Reduced ratio of managers to non-managers; reduced spend on shift disturbance allowances.
Business Support Investigation	New model for delivering business support to SCD. This is a cross Business group project. Deliverables for 2012/13 predominantly concern TP.

Workstream	Change to be delivered - subject to ratification at SCD Realignment Programme Boards during October and November and ratification by Management Board on 28th November.
Provision of Forensics Science Services	New management structure, working patterns/terms& conditions, operating model and increased income generation.
Training	Reduced cost of training provided by the Crime Academy (not an SCD Realignment project, but contributing to Corporate savings in training).

**NB Delivery options may be impacted by Territorial Policing's emerging operational requirement for shared services.*

CO IMPROVEMENT PLAN

OBJECTIVE

The COIPs strategic objectives are to achieve significant reductions in the overall cost of delivery, ensure resources are deployed efficiently and effectively and to manage internal and external customer satisfaction in support of organisational change.

Description	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s
CO Improvement savings in 2011-14 PLBP	0	0	0	0
Total additional savings in 2012-15 PLBP	0	-1,984	-7,333	-7,243
Total CO Improvement savings	0	-1,984	-7,333	-7,243

DESCRIPTION

The COIP intends to determine the structure and scope of CO functions in the future. CO are working closely with TP and other business groups to define an MPS operating model for the future provision of services.

OVERALL STATUS

Each project that will deliver cashable savings in 2012-13 and beyond is detailed below. A monthly programme board provides direction and monitors progress of work streams whilst a weekly board reviews actions. Both are chaired by DAC Central Operations.

Projects - to be implemented and deliver cashable savings during 2012-13	Current Status (scoping/ implementation/ delivering benefits)	Description
Management Support Unit	Draft Business Case submitted and awaiting review	This project is examining the centralisation of management support functions across CO OCUs. Current actions - User requirements being scoped and liaison with PSD re co location of services.
Firearms Enquiry Teams	Draft Business Case submitted.	This project is examining the centralisation of Firearms Enquiry Teams across London. Business case submitted and awaits decision. Phased approach to be included.
Restructure Emergency Preparedness OCU (CO3)	Business Case submitted and awaiting review	This project is examining the merger of CO3 into the Public Order OCU (CO11). Working towards implementation phase September 2012 post Olympics.
Traffic Criminal Justice Unit (CO16)	Draft Business Case submitted and awaiting review	This project is examining the potential changes in the police response to damage only collisions. Currently scoping collisions to be included/excluded in project in conjunction with DfT and DLS.

Project - in development or implementation phase during 2012-13. Due to deliver future cashable savings	Current Status (scoping/ implementation/ delivering benefits)	Description
Super Operations Centre	Scoping	This project is looking at the centralisation of support services across CO OCU's It is currently in the research stage.
CBRN	Scoping	This project is looking at the rationalization of CBRN strategically across the MPS.
Project - in development and identified as RED saving in MTFP Management Costs	Current Status (scoping/ implementation/ delivering benefits)	Description
Managing Demand	Phase 1 - reviewing management ratios - complete.	This project is looking at the rationalization of the management structure of CO based on a geographical and functional structure.
	Phase 2 - scoping Scope, intention and outcome being documented for further discussion	This project is concerned with the base lining of all functions across all CO OCU's including the finances associated with these. The COIP Development Team is now working with the strand lead to support the scoping phase of the project. This strand is pivotal in informing the outcome of many of the strands of the COIP. It has been identified as RED status in the MTFP but no cashable savings have been identified at this stage.
Firearms Commands Amalgamation	Scoping	This project is examining the feasibility of amalgamating all public facing firearms commands. It is currently scoping user requirements and is working towards implementation post Olympics.

KEY DELIVERABLES IN 2012/13

1. The following strands are provisionally planned for implementation and delivery of cashable savings during 2012/13; Management Support Unit, Restructure of CO3, Firearms Enquiry Teams and CO16 Damage Only Collisions.

- 2.** The following strands are in development or planned for implementation post 2012-13 and are due to deliver future cashable savings; Super Operations Centre, London Transport Command and the transfer of CBRN
- 3.** The following strands are in development and have been identified as RED status on the MTFP; Management Costs, Managing Demand and Firearms Amalgamation.

MPS INTELLIGENCE REVIEWS

OBJECTIVE

To clearly articulate how MPS Intelligence will be delivered in line with the strategic objectives of the organisation; and to deliver the Business Group Intelligence Reviews alongside the identification of savings with minimal organisational impact

DESCRIPTION

- BUSINESS GROUP INTELLIGENCE REVIEWS
- REVIEW OF MIB
- REVIEW OF MPS INTELLIGENCE PROFESSION

OVERALL STATUS OF PROJECTS

Project	Current Status	Description
PHASE ONE SO Intelligence Review	Delivering benefits	Providing a more cohesive intelligence service in support of countering counter-terrorism and domestic extremism through the local and national refinement of intelligence handling processes between the MPS, ACPO unit and the BSS. (IHM) Not currently part of MPS Intelligence savings projections due to nature of SO funding model.
SCD Intelligence Review	In final draft - consultation phase about to commence	Developing a more cost-effective model for delivering intelligence services within SCD. Developing Command Area intelligence services and tasking to maximise the effectiveness of operational assets. Review of RIPA desk and Core Desk functions. Projected savings up to £1.24m
CO Intelligence Review	About to commence	Establishing future requirements of the MPS in relation to public order intelligence; to develop options for consideration re future policy, structure, resourcing, function and governance of MPS public order intelligence service delivery. Savings to be identified.
TP Intelligence Review	Complete - Implementation in progress	Delivering a new structure and function in Borough Intelligence Units to replace focus desks, re-align staff roles, increase flexibility, streamline processes, and maintain and improve services to Boroughs. Ongoing development of MASH to be taken into account. Projected savings up to £4.1m

PHASE TWO		
MIB Review	In final draft awaiting consultation phase	A Review of MIB to revisit its original concept and blueprint; its current services; MPS/Business Group requirements of MIB going forward; options for a service delivery model to meet those requirements; identification of savings; review of corporate tasking. Potential savings of up to £3.5m
PHASE THREE		
Review of Roles, Responsibilities and Functions within MPS Intelligence	To commence 10/2012 for delivery 2013 onwards	A review of skills and roles required to deliver the improvements outlined above. A review of the MPS intelligence career structure with a view to achieving efficiencies. Development of options to amalgamate roles and reduce hierarchical layers. Projected savings currently being reviewed.

KEY DELIVERABLES IN 2012/13

- Phase One to be completed and implemented/in course of implementation
- Phase Two to be completed and implemented/in course of implementation
- Phase Three to be scoped but not commenced until after the London Olympics 2012 and not likely to be complete by end of 2013.
- Potential total savings if all above projects completed over the period up to 2013/2014 - £22m.

CORPORATE PERFORMANCE REVIEW

OBJECTIVE

To drive service improvements and cashable savings across MPS Performance functions.

DESCRIPTION

Currently a number of performance teams exist within business groups, corporate functions and local B/OCUs. Over time, this has created a number of inefficiencies such as the duplication of work, a lack of analysis with the focus being on report production, and varying qualities of embedded performance management frameworks.

The review is focused on a number of key work streams, each of which will build on and improve the current levels of collaboration that exist both internally and externally:

INTERNAL:

- TP Performance - Streamlining performance resource under an operational shared service model based on centrally managed but cluster located performance teams. These teams will collaborate with Intelligence colleagues and planning and tasking processes to provide a holistic view of Borough and Area performance based on crime trends, business processes and police activities (for example SNT and Custody activity) to drive improvements.
- IT - Responsibility for data collection will become solely owned by one area, the Performance Information Bureau (PIB), driving one version of the truth and a standardised product suite. Further work is also being undertaken to review the appropriateness of the current IT systems which support performance management to see if savings and efficiencies can be achieved.
- Corporate & other Business Group Performance - In line with the future balanced policing model, corporate stakeholders will be serviced by a shared service corporate function rather than the individual HQ functions which exist at present. This will bring together both data collection and analysis functions to deliver a complete end to end customer focused service with appropriate governance frameworks that drive outcome based activities.
- Professional Development - Through a Head of Profession, performance can be developed as a discipline within its own right providing a professional service to customers and career development for performance staff in a similar way to that of Intelligence analysts.

EXTERNAL:

- A great deal of collaboration already exists with external organisations such as the MPA, GLA (Strategic Intelligence Unit for example), Local Authorities (JEMs for example), the Home Office, TFL, BTP and a vast number of local partners such as Haven's centre's for rape victims. Under the shared service vision above this collaboration will be enhanced through, for example, work being commissioned for delivery by working groups from across these organisations.
- MPS surveys (PAS and USS) will continue to be outsourced.
- Part of the performance review includes looking at other force's performance management frameworks as a benchmark and it is anticipated that this will lead to a national network of key performance practitioners being established.

OVERALL STATUS

The TP Performance review which has been the main focus of work to date is at business case stage and has been signed off by the TP Programme Board, TP COG Governance Board.. Roll out of the new shared service model, products and processes is anticipated for 1st April 2012.

A Head of Profession is in post and regular MPS wide practitioner's forums are in place to help drive professional improvements across all of our performance resource. This will continue to be a key area of work as we look at developing the shared service approach to delivering a professional performance management service.

As part of the shared service model, reviews are ongoing into other business groups performance functions with business cases delivered from SCD and CO as part of their wider realignment programmes. Given the smaller amounts of resource within these functions savings are expected to be limited. Process and product improvements will be realised by the end of 2011 with any structural changes occurring in 2012 post the Olympics.

Finally there is an ongoing review into the IT systems that support our performance management frameworks based on the METERS business case. Further work needs done to benchmark proposals against external options and it is expected that this final business case with options for change will be presented by the end of 2011. It is likely that any changes to IT systems will require financial investment which presents a risk to this element of work given the current climate. In addition any implementation is likely to take a year if not longer to fully embed the system. As such this element of work is being viewed as a long term project as part of the wider 2012-15 business plan.

PROJECTS

Project	Current Status	Description
TP Performance Review	Bus Case	Governance Board sign off
MetERS Business Case	Bus Case	Capital Plan Board funding allocation

KEY DELIVERABLES IN 2012/13

Project	Deliverables
TP Performance Review Roll Out	1st April 2012
MetERS Business Case scoping and roll out	TBC but likely to take 2012 to scope and 2013 to start the implementation
Other business group (SCD, CO and SO) reviews	Likely to land in 2012 - timings not yet known

INTERNAL SHARED SERVICES

OBJECTIVE

The delivery of improved services at less cost.

DESCRIPTION

The Policing London Business Plan recognises that collaboration with other police forces, partnerships and shared services are becoming increasingly important. Internal and external Shared Services programmes have the potential to deliver major benefits in improved services at less cost for the MPS at a time of increasing fiscal constraints. Longer term options could involve being a strategic provider of services, sharing platforms and infrastructure and outsourcing non-core capabilities (alone or with a partner organisation).

OVERALL STATUS OF PROGRAMMES / PROJECTS

The programmes and projects listed below are also the subject of their own scrutiny packs, which contain more detail on their status and deliverables.

Programme / Project	Current Status	Description
Other Strategic Procurement (including outsourcing)	Workstreams range from in implementation, with some delivering benefits	The Procurement workstream of the Developing Resource Management (DRM) Programme aims to stream line processes and systems to provide a more effective service to the business and suppliers.
ICT efficiencies and contract rationalisation	Workstreams range from in implementation & delivering benefits to scoping	<ul style="list-style-type: none"> • To implement new DoI processes that add value and remove activity that doesn't, as well as creating a culture of continuous improvement. • To reduce DoI running and maintenance costs and IT cost of ownership • Exploit opportunities to leverage better pricing for licensing and commodity asset purchasing • Consolidate technology estate
Corporate Real Estate (moving from borough / business group to corporate facilities)	Implementation & delivering benefits	CRE has been approved by Management Board and falls under the Developing Resource Management (DRM) Programme. The principles of the CRE are to implement corporate standards to reduce the operational running costs of facilities, maximise the use of accommodation through the provision of flexible workspace, enabling the release of surplus properties.

Programme / Project	Current Status	Description
Training (centralisation and regional hubs)	Phase 1 complete	The new training model is based on a shared service model that introduces a new business planning model and targets training activity to agreed organisational priorities. Training delivery has been aligned through five strategically sited Regional Learning Centres.
	Phase 2 scoping	
Transport rationalisation	Implementation	<p>Transport Services objectives in line with our Service Improvement Plan (SIP) can be categorised under a number of initiatives;</p> <ul style="list-style-type: none"> • Reduce MPS fleet size, owed, leased and hired. • Centralise budgets • Centralise Transport related staff (drivers and Resource fleet assistants) <p>Develop shared services with other GLA group functional bodies.</p>
Finance & Resources modernisation	Implementation	<p>Finance and Resources Modernisation 2 (FRM2) aims to achieve material budget savings in the Finance and Resource functions while at the same time delivering a more professional service by:</p> <ul style="list-style-type: none"> • Making changes to structures and processes that reduce duplication, eliminate unnecessary work and generate economies of scale. • Recommending an organisational structure which is as future-proof as possible • Ensuring changes are consistent with the Professional Service Provider model currently being piloted by Customer and Commercial Services, and the direction of other MPS support services.
TP Development Programme: Operational Support Services model	Scoping	Design of a network of Operational Support Services across TP, managed by a number of Boroughs. Delivery of pan-London services.
People Services	Delivering Benefits	PeopleServices was launched in November 2010 by closing HR offices and introducing a modern HR services to meet the needs to officers and staff across the MPS. Future initiatives include an upgrade to telephony system, technical upgrades and re-configuring the HR Business Partnership.

PROCUREMENT IMPROVEMENTS

OBJECTIVES

- Moving into more Effective Contract Management and improving spend under contract
- Completing work currently underway around Effective Purchase Order Management and compliance
- Enhancing Technology used in the Procurement process
- Further Increasing Procurement Capability across the MPS
- Increasing and sustaining the saving potential identified within Business Procurement Plans

Description	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s
Procurement Improvement savings in 2011-14 PLBP	-11,370	-25,680	-26,690	-26,690
Total additional savings in 2012-15 PLBP	0	0	0	0
Total Procurement improvement savings	-11,370	-25,680	-26,690	-26,690

DESCRIPTION

The Procurement workstream of the Developing Resource Management (DRM) Programme aims to stream line processes and systems to provide a more effective service to the business and suppliers.

OVERALL STATUS OF PROJECTS

Project	Current Status <small>(scoping/ implementation/ delivering benefits)</small>	Description
CompeteFor	Delivering benefits	CompeteFor has been embedded as a key tool to find suppliers for requirements between £500 and £50K. Since mandate in summer 2011, MPS has quickly become the highest user of the portal. The overwhelming majority of opportunities posted are to small to medium sized organisations.
Enhancing Technology	Delivering benefits	Improvements to the Vendor Set Up process, with a quicker and easier online form, went live in September 2011 with training and support to users across MPS. Improved system reporting has been developed, enhancing management information. Reporting functionality will roll out in November 2011.
No Purchase order (PO) No Payment	Delivering benefits	The No PO No Pay policy was implemented in October 2011, building on vastly improved compliance with the purchase order process, to better plan and manage budgets. In advance of the new policy extensive communications were undertaken across the business and with suppliers.

Project	Current Status <small>(scoping/ implementation/ delivering benefits)</small>	Description
Source To Payment	Implementation	To update technology and enable the streamlining of processes across sourcing, contract management and payment whilst ensuring compliance and providing a more efficient and effective service to the business and suppliers.

KEY DELIVERABLES IN 2012/13

Procurement improvements will deliver £26.7m savings in 2012/13. This consists of:

- £10.5m savings in Supplies and Services committed in previous Policing London Business Plans.
- £12.0m of new savings on Supplies and Services
- £4.2m savings relating to saving on the Corporate Print Management Solution.

CORPORATE REAL ESTATE

OBJECTIVE

Corporate Real Estate (CRE) is expected to:

- Ensure the MPS estate is fit for purpose and to enable high quality policing in London
- Optimise the efficiency of the MPS estate, making best use of accommodation and disposing of assets where appropriate
- Achieve cashable savings that can be reinvested in operational policing

Description	2010/11 £000s	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s
Corporate Real Estate savings in previous PLBPs	-2,970	-17,370	-33,190	-39,190	-39,190
Total additional savings in 2012-15 PLBP		0	0	0	0
Total Corporate Real Estate savings	-2,970	-17,370	-33,190	-39,190	-39,190

Note: The above savings area offset by contractually committed growth in the Resources Business Group financial summary in Appendix 1.

DESCRIPTION

CRE has been approved by Management Board and falls under the Developing Resource Management (DRM) Programme. The principles of the CRE are to implement corporate standards to reduce the operational running costs of facilities, maximise the use of accommodation through the provision of flexible workspace, enabling the release of surplus properties.

OVERALL STATUS OF PROJECTS

Project	Current Status	Description
Corporate Real Estate (core exit, relocation and disposals projects), including the former Safer Neighbourhood Programme	Delivering benefits	<ul style="list-style-type: none"> • Ensure the MPS estate is fit for purpose and to enable high quality policing in London • Optimise the efficiency of the MPS estate, making best use of accommodation and disposing of assets where appropriate • Achieve cashable savings that can be reinvested in operational policing
Hendon	Delivering benefits	<ul style="list-style-type: none"> • Optimise the efficiency of the Hendon estate • Achieve cashable savings • Develop proposals to ensure the Hendon estate is fit for purpose.

KEY DELIVERABLES IN 2012/13

Project	Deliverables (include dates)
Corporate Real Estate	<ul style="list-style-type: none"> • Updated CRE 2012/13 plans are due to be presented to Management Board in November 2011 (confirming any changes to original plans agreed in 2010). This will be followed by: • Communication of CRE plans for 2012/13 at MPA

Project	Deliverables (include dates)
	<p>Estate Panel seeking approval January 2012 and MPA F&R Committee February 2012 (scheduled pending implementation of the Mayoral Office for Policing and Crime)</p> <ul style="list-style-type: none">• Ongoing over 2012/13 - delivery of exit, relocation and disposal projects according to agreed CRE plans• Planning for 2013/14 will begin in late 2011/12, with plans being reported to Management Board by end September 2012.
Hendon	<ul style="list-style-type: none">• 2012/13 activity will be informed by reports to the MPA Estate Panel in November 2011.
Safer Neighbourhoods	<ul style="list-style-type: none">• Safer Neighbourhood Bases - Ongoing review of leases and break clauses, aligned to outcome of wider review

DELIVERY OF PROPERTY SERVICES

OBJECTIVE

The objective of Delivering Property Services (DPS) is primarily to review contracts in place within PSD with a view to identifying opportunities for refinement, revision or restructure in order to achieve efficiencies and cashable savings and to ensure that key PS contracts (current and future) are best value, streamlined where appropriate and managed robustly.

Description	2010/11 £000s	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s
Delivery of Property Services savings in previous PLBPs	-5,400	-21,700	-21,700	-23,700	-23,700
Total additional savings in 2012-15 PLBP		0	0	0	0
Total Delivery of Property savings	-5,400	-21,700	-21,700	-23,700	-23,700

DESCRIPTION

DPS has been approved by Management Board and falls under the Developing Resource Management (DRM) Programme. The Delivery Property Services MCP focuses on contracts in place the following areas:

- Facilities Management (FM) / Met Property Information Centre (MPIC),
- Security Guarding,
- Energy,
- In-house Cleaning,
- Private Finance Initiative (PFI) and Asset Leverage
- Staffing Restructure

OVERALL STATUS OF PROJECTS

Project	Current Status	Description
FM / MPIC	Delivering benefits	Key achievements are alignment of the two FM contracts allowing for a joint procurement exercise in 2014. Scoping of where terms of contracts can be reviewed is currently underway, with opportunities identified to create savings. MPS has recently approved the approach to review fixed term management fees, conversations continue with suppliers to implement.
Energy	Implementation	The transition to a new buying framework was established in April 2011. Benchmarking is taking place in order to monitor savings and performance.
Security Guarding	Delivering benefits	Opportunities to de-civilianise the security guarding function continues, Atkins are assisting with the identification and tracking of savings opportunities.
In-house Cleaning	Delivering benefits	Holding vacancies open and provision of the service with reduced resource has continued to provide income on this workstream month on month.

Project	Current Status	Description
PFI / Asset Management	Implementation	Continues to review opportunities for areas of savings.

STAFFING RESTRUCTURE

Delivery Benefits

Opportunities to remove duplication, simplify processes enhancing professional service provided whilst reducing staffing costs.

KEY DELIVERABLES IN 2012/13

Core DPS project activity is expected to conclude within 2011/12, with the exception of the FM/MPIC strand. 2012/13 activity for FM/MPIC will be determined by the 'FM Procurement Strategy for 2014 onwards' presented to the MPA on 20 October 2011.

FINANCE AND RESOURCES MODERNISATION 2

OBJECTIVE

Finance and Resources Modernisation 2 (FRM2) aims to achieve material budget savings in the Finance and Resource functions while at the same time delivering a more professional service by:

- Making changes to structures and processes that reduce duplication eliminate unnecessary work and generate economies of scale.
- Recommending an organisational structure which is as future-proof as possible
- Ensuring changes are consistent with the Professional Service Provider model currently being piloted by Customer and Commercial Services, and the direction of other MPS support services.

The project forms part of a strategic medium term approach to the modernisation of the MPS support services in general and finance and resource services in particular. The objective is to modernise in such a way that delivers savings now while enabling systems changes to drive out further savings in the future.

Description	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s
Finance and Resources Modernisation 2 savings in 2011-14 PLBP	-900	-1,300	-1,400	-1,400
Total additional savings in 2012-15 PLBP	0	-1,700	-3,600	-3,600
Total Finance and Resources modernisation savings	-900	-3,000	-5,000	-5,000

DESCRIPTION

Finance and Resources Modernisation 2 (FRM2) has been approved by Management Board and falls under the Developing Resource Management (DRM) Programme. It follows the implementation of FRM1 in looking to continuously improve the MPS Finance and Resources functions.

The Finance proposals were agreed by Management Board on 13th July 2011, and Resources proposals were agreed on 30 September 2011. Memorandums of Understanding relating to the services to be delivered are being developed.

It is estimated in the MPS Medium Term Financial Plan that the project will generate £3.0m.savings in 2012/13 and £5.0m in 2013/14 and 2014/15.

The proposals will lead to a reduction of approximately 160 posts, and the project started a Voluntary Exit process for the most affected Bands in the in scope community, in August 2011. This will run to implementation of the new proposals, which is scheduled for February 2012.

OVERALL STATUS OF PROJECTS

Project	Current Status	Description
Finance	In implementation stage and due to be fully implemented by February 2012.	Looking at the function of Finance staff across the MPS in order to reduce duplication, eliminate unnecessary work and generate economies of scale by: <ul style="list-style-type: none"> • Establishing Lead Accountants' Teams,

Project	Current Status	Description
		integrating the current Business Group finance function into a comprehensive, clearly accountable finance service, <ul style="list-style-type: none"> • Establishing central teams for Barclaycard and Expenses to ensure high corporate standards, • Establishing a Cash Collection Team to provide greater efficiency in cash handling processes, and • Expanding the Contracts Team to take on additional responsibility for Partnerships monitoring.
Resources	In implementation stage and due to be fully implemented by February 2012.	Looking at the function of Resources staff across the MPS in order to reduce duplication, eliminate unnecessary work and generate economies of scale by: <ul style="list-style-type: none"> • Establishing Local Resources Teams in Property Services based on geographic areas rather than Business Groups, • Establishing a Central Purchasing Team.

KEY DELIVERABLES IN 2012/13

Project	Deliverables (include dates)
Finance and Resources Modernisation 2	Implementation of new structures and teams (February 2012)
Finance and Resources Modernisation 2	Savings in Medium Term Financial Plan for 12/13 of £3.0m (and £5.0m thereafter)

PROFESSIONAL SERVICE PROVIDER (PSP)

OBJECTIVE

The Service is extending our work in re-engineering support services into a centralised Professional Service Provider (PSP) model to provide enhanced support services that respond to real operational needs.

DESCRIPTION

Professional Service Provider will enable a significant improvement in front-line operational productivity by smoothing service access and provision, simplifying and eliminating service errors, in all non operational areas. At the same time, we will modernise our out-dated service provision models. PSP is designed to drive a fundamental shift in the provision of resources to support operational areas, a more efficient and effective way of deploying and leveraging resources. The model enhances the customer experience by empowering staff to understand and respond to real needs and to influence the operational area in the short and the medium term.

The PSP Model, with professional service staff embedded in the front line, is successfully engaged in non operational areas of the MPS such as Lead Accountants and Catering Services but there is scope to extend this further.

The programme will enable us to reduce non operational roles (versus operational roles), through streamlining, empowerment and partnership of the organisation and the staff within it. PSP encourages significant cultural change. The initial Pilot/Proof of Concept in the provision of Logistical Services in Territorial Policing will enable us to test and modify the PSP Model before further roll-out and prove the benefits model for estimating and delivering savings.

OVERALL STATUS

The PSP Pilot Service Model for Customer and Commercial Services to deliver the services and acceptable service levels to operational areas is currently being scoped. The PSP pilot within Territorial Policing's South West Area Command will:

- test and modify the PSP Model, where required, before further roll-out
- prove the benefits model for estimating and delivering savings
- confirm any future costs for other phases and
- refine the Governance needed to implement and operate the new model.

KEY DELIVERABLES IN 2012/13

Professional Service Provider Pilot with Territorial Policing South West Area Command

- January 2012 - Account Management Structure and Service Levels to the South West Area Command within Territorial Policing.
- March 2012- Customer Contact & Resourcing Centre (a separate project).
- March 2012 - Re-engineered Customer & Commercial back office for Transport Services - Fleet Management and Customer & Commercial Services Shared Services Centre.
- March 2013- Reengineer the remaining Customer & Commercial back office.

TRANSPORT SERVICES

OBJECTIVE

Transport Services objectives in line with our Service Improvement Plan (SIP) can be categorised under a number of initiatives;

- Reduce MPS fleet size, owed, leased and hired.
- Centralise budgets
- Centralise Transport related staff (drivers and Resource fleet assistants)
- Develop shared services with other GLA group functional bodies.

Description	2010/11 £000s	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s
Transport Services savings in previous PLBPs	-1,400	-7,000	-7,000	-7,000	-7,000
Total additional savings in 2012-15 PLBP	0	0	0	0	0
Total Transport Services savings	-1,400	-7,000	-7,000	-7,000	-7,000

OVERALL STATUS

Transport Services SIP2 is currently in the implementation phase and on schedule to deliver the savings of £4.95M revenue and £1.5M capital as stated. This project is reported through Customer and Commercial Services Performance Board.

KEY DELIVERABLES IN 2012/13

Project

Support for Transport and Deployment programme for the Olympics

Deliverables

The development of the transport model for the MPS Olympic requirements, leading to the delivery of a transport and deployment solution for the 2012 London Olympics. This will be at minimal cost, with the necessary operational resilience - July to September 2012.

Continued improvement in the allocation and deployment of the MPS fleet

Reported through the Resources Olympics Co-Ordination Meeting and various other forums.

Working in partnership with operational command units to identify fleet needs, in terms of quantity and specification. Looking at the total cost of ownership model to give the most appropriate fleet supply solution; owned, lease, hired. Developing technological solutions that allow fleet utilisation to be measured (i.e. telemetrics), to inform the most appropriate fleet allocation. The initial Association of Chief Police Officers (ACPO) trial to commence during 2011, with completion in April 2012.

Environmental

Reported through MPS Transport and Driver Standards User Group.

Ensure the MPS uses all cost neutral appropriate technological advancements in its fleet to minimise its environmental impact - This is ongoing business objective to be reviewed annually.

Reported through Environmental Strategy Steering Group.

Project

Shared Services

Deliverables

Continue to explore with other GLA functional bodies and emergency service agencies opportunities for shared services, for example vehicle procurement. Ongoing.

Reported through Customer and Commercial Services Performance Board.

Project

Contracts

Deliverables

In conjunction with Procurement Services explore opportunities to reduce associated fleet costs using the most appropriate pan government or other emergency service enabled contracts. This in the context of best value.

Working with ACPO in establishing key national police vehicle roles to maximise the police service procurement opportunities - August 2012.

Reported through MPS Transport and Driver Standards User Group.

DEVELOPING TRAINING PROGRAMME

OBJECTIVE

To efficiently plan and deliver training activity that ensures the workforce has the skill and knowledge to do their jobs effectively in line with corporate objectives.

Description	2008/09 £000s	2009/10 £000s	2010/11 £000s	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s
Developing Training savings in previous PLBP's	-580	-1,620	-4,290	-14,800	-26,800	-26,800	-26,800
Total growth in 2012-15 PLBP	0	0	0	0	3,802	1,005	861
Total Training Services savings	-580	-1,620	-4,290	-14,800	-22,998	-25,795	-25,939

DESCRIPTION

The new training model is based on a shared service model that introduces a new business planning model and targets training activity to agreed organisational priorities. Training delivery has been aligned through five strategically sited Regional Learning Centres.

OVERALL STATUS

Phase one of the Training Development Programme is complete and a new Learning Operations (introducing Regional Learning Centres) and a new Business Support and Strategy Unit are in place.

Phase two is now underway to continue to embed the Learning Operations model, delivered during phase one, and undertake an independent evidenced based review of specialist training. This will involve working with Specialist Operations (SO), Specialist Crime Directorate (SCD) and Central Operations (CO) to review and consider the future of specialist training and how the shared service model can be extended.

PHASE 2 PROJECTS

Project	Current Status (scoping/ implementation/ delivering benefits)	Description
To review Specialist Training within SCD	Scoping	To review the Crime Academy specifically management structures, surveillance training, productivity and flexibility of detective trainers into investigative elements of foundation training. Specialist Training Review findings and detailed recommendations will show degree of efficiencies.
To review Specialist Training within CO	Scoping	To review Firearms Training and Public Order Training. Specialist Training Review findings and detailed recommendations will show the degree of efficiencies.
To review Specialist Training within SO	Scoping	It has been confirmed that savings from third party contracts cannot be realised as part of this SIP, however Counter Terrorism funded areas can but will need to be defined in detail with lead accountant.
4. Reduction of Police Officer	Scoping	This will be delivered following implementation of the new Officer Safety Training (OST) and

Project	Current Status (scoping/ implementation/ delivering benefits)	Description
Headcount		Emergency Life Saving (ELS) training model. The reduction is based on the efficiencies of moving from a large pool of occasional trainers to a dedicated team. Work is being undertaken to understand the scale of efficiency and overall impact on police officer headcount.
5. Centralising the External Training Budget	Scoping	The exercise with lead accountants has identified £1,800k reductions with the remaining £400k being allocated for other purposes.
6. To review External Training and introduce a Developmental Training Budget	Scoping	Work is being undertaken to identify a way forward in terms of savings as well as how the budget is managed. The projected savings for the Developing Training Programme are predicated on a significantly larger external training budget. Business Groups are keen to retain control of the budget for professional and operational training however there is a collective view that there needs to be greater transparency regarding the use of this budget.
7. To review Learning Operations	Scoping	Recommendations and efficiencies related to the PLC (Police Learning Certificate), Driving School and Leadership Academy are being developed. To also look at the development of a Training Shared Service function this will include Regional Learning Centre Logistics and Course & People Support Review. To review the requirements and licenses for ELS and OST training; reduce abstractions / costs by joint delivery of OST/ELS.
8. To introduce Account Management / Domain functions to work alongside 'Heads of Profession' and Training Delivery.	Scoping	It is proposed that a 'domain function' is created that will see the introduction of a minimum model domain structure that will act as the conduit between the 5 key business domains (Leadership, Local Policing, Crime, Specialist Training and Professional services) and strategic planning within the Leadership and Learning Directorate.
9. To review the Training Business Strategy and Support Unit	Scoping	Process map and review of training shared service final recommendations have been made

Project	Current Status (scoping/ implementation/ delivering benefits)	Description
10. Reduce OST/ELS Training from 3 to 2 Days	Scoping	Awaits outcome of strategic workforce planning to see whether the possibility of converting opportunity costs to cashable savings and if this is an acceptable approach. This links to activity in 'Review of Learning Operations'.

INFORMATION, COMMUNICATION & TECHNOLOGY (ICT) EFFICIENCIES AND CONTRACT RATIONALISATION

OBJECTIVE

- Make targeted savings (£25.9m) for 2012/13
- To implement new Directorate of Information (DoI) processes that add value and remove activity that doesn't, as well as creating a culture of continuous improvement
- To reduce DoI running and maintenance costs and Information Technology (IT) cost of ownership
- Exploit opportunities to leverage better pricing for licensing and commodity asset purchasing
- Consolidate technology estate

Description	2010/11 £000s	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s
ICT Efficiencies and Contract rationalisation savings in previous PLBP's	-2,720	-15,820	-26,620	-28,920	-28,920
Total growth in 2012-15 PLBP	0	0	700	700	700
Total ICT savings	-2,720	-15,820	-25,920	-28,220	-28,220

DESCRIPTION

A programme of work for 2012/13 for DoI to deliver Medium Term Financial Plan savings and objectives.

OVERALL STATUS OF PROGRAMMES / PROJECTS

Overall plans are in place to deliver the targeted savings for 2012/13. The following key programmes make up ICT Efficiencies and Contract Rationalisation:

Programme / Project	Current Status	Description
Corporate Print Management Solution (CPMS)	IMPLEMENTATION/ DELIVERING BENEFITS	<p>The key aim of a Corporate Print Management Solution (CPMS) is to replace our printer/fax estate and associated support contracts with standardised and consolidated devices delivering greater efficiencies and lower support costs. CPMS will create an environment which:</p> <ul style="list-style-type: none"> • Deploys a standardised spectrum of devices which are fit for purpose; where appropriate, ensuring multifunctional devices are installed as one machine can do the same job as four separate devices. • Delivers benefits which are measurable in financial, efficiency and environmental terms.

Programme / Project	Current Status	Description
Reduce costs of supporting current IT systems	IMPLEMENTATION/ DELIVERING BENEFITS	This project includes reviewing existing systems to identify systems that can be decommissioned. Review and improve and reviewing arrangements for licensing, Service Level Agreements, 3rd party contracts, inventories, machine usage, archiving strategies, business continuity arrangements and implementing business process improvements.
Shared IT Platforms and Shared IT Services	SCOPING - There have been no meetings since mid July and at that point the Managed Network Systems project (Transport for London Network Contract) was ongoing and the Projects IntoService (PINS) / Official Journal of the European Union (OJEU) notices were still in the market. Cannot progress until these are withdrawn.	<p>The business drivers for this project are:</p> <ul style="list-style-type: none"> • To ensure the MPS can obtain pricing in line with best available using greater GLA leverage • Opportunities for utilising shared infrastructure (e.g. Real Time Communications) • Standardization of technology and services <p>Deliverables include:</p> <ul style="list-style-type: none"> • Exploit opportunities to leverage better pricing for licenses and commodity asset purchasing • Benchmarking of core IT services
Implementation of Thin Client	SCOPING - 1st level business case being assembled and high level plan produced.	The Next Generation desktop programme aims to baseline the current desktop model and determines opportunities to lower the Total Cost of Ownership for desktops and application delivery. The new desktop strategy will include thin client and secure mobile working to provide additional business benefits with consideration for the ability to segue appropriate components over to Cloud Technology as and when necessary.
Implementation of Data Centre Virtualisation	SCOPING - The business case was approved by	Supports the rationalisation of the current data centres provided through the current ICT contract and the

Programme / Project	Current Status	Description
	Management Board on 24 August and through the MPA Resources & Productivity Committee on 12 September.	transition from them to the MPS owned Eagle data centre before the end of the ICT contract in 2015. In doing so, significant reductions in support, licence and network costs can be achieved by using "virtualisation" technology and reducing the number of servers from over 1,500 to around 200.

Programme / Project	Current Status	Description
Lean Programme	IMPLEMENTATION/ DELIVERING BENEFITS - The programme has been accelerated to maximise the potential for savings. Realisation of the full amount of savings in-year is challenging because of the time it takes to exit people, either as a result of Voluntary Exit or following an event that identifies that their post is no longer needed.	The Lean Programme is intended to radically change the way the DoI does things by focusing on improvement of processes that add value to our customers and removing activity that doesn't, as well as creating a culture of continuous improvement. The Programme aims to deliver almost £14 million towards DoI's overall savings targets by working together to transform the DoI into a more customer focused, efficient and effective organisation.

KEY DELIVERABLES IN 2012/13

Programme / Project	Deliverables (include dates)
<i>All Implementation of Data Centre Virtualisation</i>	£23.4m in savings by March 2013. Data Centre 1 Closed - December 2012
<i>Implementation of Thin Client</i>	Proof of concept: to demonstrate application service interfaces in thin, thick and mobile devices by March 2012
<i>Corporate Print Management Solution (CPMS)</i>	Delivery complete - November 2012

Shared Services summary

ANNEX 9

1. The MPS is committed to a shared services approach with others, if the business case is compelling, and we recognise the opportunities and challenges of shared services across the GLA group, nationally and internally as a policing region.
2. The Policing London Business Plan recognises that collaboration with other police forces, partnerships and shared services are becoming increasingly important. Internal and external Shared Services programmes have the potential to deliver major benefits in improved services at less cost for the MPS at a time of increasing fiscal constraints. Longer term options could involve being a strategic provider of services, sharing platforms and infrastructure and outsourcing non-core capabilities (alone or with a partner organisation).
3. Efficient policing is a major driver, with better value for money. This includes more effective deployment of warranted officers and staff to improve operational capability, and a review of pay and conditions. A new national framework for policing is proposed, with better collaboration between forces to tackle serious criminality and a new National Crime Agency to combat organised crime and deliver border policing. The MPS is contributing towards the development of these proposals. Internal and external collaboration has been successfully embedded into how the MPS operates. It is business as usual for the Service, and is built into the corporate objectives for senior managers in the MPS.
4. The Mayor's advisor for Budgets & Performance has set a savings target for the GLA group of £450m over two years from the sharing of services and collaborative procurement. The aim is to deliver £150m savings in 2012/13, with a further £150m of new savings in 2013/14, to give total savings of £450m. As part of the 2011/12 Mayor's budget process, fifteen potential Shared Services workstreams were identified. These workstreams include the areas shown in the table below together with a summary of committed MPS savings already built into the Services' budget. Whilst these savings are not explicitly dependent on shared services (both internal and with other organisations) or collaborative procurement, such an approach is seen as one of the ways of delivering the significant savings identified.

	2008/09 Base Budget £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2014/15 savings as % of base budget	Total Savings £m
Communications & Marketing	6.1		-1.19	-1.97	-1.97	-2.97	-2.97	-48.7%	-11.07
Democratic Services ¹	17.2	-0.51	-1.54	-1.54	-1.54	-1.54	-1.54	-9.0%	-8.21
Equalities & Diversity	7.4			-0.41	-0.41	-0.41	-0.41	-5.5%	-1.64
Property	212.1	-10.21	-18.54	-46.73	-62.55	-71.55	-71.55	-33.7%	-281.13
Fleet Management	26.7		-1.4	-7.0	-7.0	-7.0	-7.0	-26.2%	-29.40
Human Resources – Training	43.9		-2.44	-13.61	-25.61	-25.61	-25.61	-58.3%	-92.88
Human Resources - Other	135.9	-5.84	-13.11	-15.94	-19.93	-19.93	-19.93	-14.7%	-94.68
ICT	210.3	-23.85	-26.69	-58.19	-76.04	-80.29	-80.29	-38.2%	-345.35
Procurement Directorate within DoR	4.7	-0.36	-0.39	-0.53	-0.54	-0.55	-0.55	-11.7%	-2.92
Procurement led savings from supplies & services		-1.80	-9.40	-11.37	-25.68	-26.69	-26.69		-101.63
Finance & Resources	31.0	-3.0	-3.13	-4.07	-6.24	-8.17	-8.17	-26.4%	-32.78
Total GLA Categories of Shared Services	695.3	-45.57	-77.83	-161.36	-227.51	-244.71	-244.71		-1,001.69
Catering	15.7		-1.00	-8.60	-10.70	-14.50	-14.50	-92.4%	-49.30
De-layering of Management				-5.30	-10.78	-18.02	-28.84	N/A	-62.94
Territorial Policing Development	1,460.4			-21.80	-47.51	-88.50	-114.50	-7.8%	-272.31
Total Additional Shared Services	1,476.1		-1.00	-35.70	-68.99	-121.02	-157.84		-384.55
Grand Total of Shared Services	2,171.4	-45.57	-78.83	-197.06	-296.50	-365.73	-402.55		-1,386.24

Breakdown of Procurement-related savings within the above table.

Description	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	Total
Strategic Procurement	-1.8	-9.4	-10.5	-10.5	-10.5	-10.5	-53.20
MPS-wide savings on supplies and services (SPP/BPP)				-12	-12	-12	-36.00
Procurement - Benefits realisation on Child care voucher scheme			-0.03	-0.03	-0.03	-0.03	-0.12
Procurement - Corporate Print Management Solution			-0.84	-3.15	-4.16	-4.16	-12.31
Total	-1.80	-9.40	-11.37	-25.68	-26.69	-26.69	-101.63

Finance Services will be adding a list of contract savings to the next iteration of this report after weekly budget meeting on 2/11/11.

The MPS is delivering £50m savings in 2012/13 through procurement efficiencies. In particular, a recent tender for the MPS's forensics contract generated 45% savings equating to £5m over the life of the contract. Also, the MPS led a process for new mobile phone contracts for all forces that saved 25%, i.e. £1m for the MPS and £4m across other forces.

The MPS Director of Procurement is also the ACPO lead for Procurement. In this capacity the MPS has been integral to working with the Home Office to establish an overall Procurement strategy to ensure that Police Forces act as a single corporate customer. In addition the MPS leads on a number of significant national frameworks, including:

- National Body Armour Framework Agreement for the Provision of Body Armour to HOSDB Standard HG1A/KR1
- Provision of Mobile Telephony Services (MPS savings of 25% (£1m), all forces £4m)
- Framework for the Provision of Childcare Vouchers
- Call-Off Contract for surveillance Equipment
- The Supply & Delivery of Officer Safety (self defence) Training Equipment, Associated Accessories and Services
- Supply and Delivery of Cyclist Clothing and Sportswear

Impact of Shared Services saving on establishment 2008/09 to 2014/15

Shared Service	Police Officers	Police Staff	PCSOs & Traffic Wardens	Total
Communications & Marketing	-1	-5	0	-6
Democratic Services	0	0	0	0
Equalities & Diversity	-20	-10	0	-30
Property	0	-8	0	-8
Fleet Management	0	-16	0	-16
Human Resources - Training	-340	-152	0	-492
Human Resources - Other	-132	-140	0	-272
Information Communication & Technology	-42	-45	0	-87
Procurement	0	19	0	19
Catering	0	-235	0	-235
Finance and Resources	0	-210	0	-210
Territorial Policing Development	-1,475	-400	-1,003	-2,877
De-layering of Management	-356	0	0	-356
Total	-2,366	-1,201	-1,003	-4,570

The current MPS planning assumption is that the change from the Metropolitan Police Authority to the Mayor's Office of Policing and Crime will be cost neutral. Any additional costs that result from this change will adversely impact on the MPS overall financial position.

RISK ASSESSMENT FOR PLANNING PERIOD

The Service takes an active approach to managing risks and has developed a risk management framework and policy which sets out how risk is identified, analysed, managed and reviewed throughout the MPS. The key risks with the potential to impact upon the medium-term financial plan are identified below:

Operational risk

- **Continuing to reduce crime levels**
The Service has a strong record of police performance and reducing crime, with total recorded crime in London having fallen steadily over the past decade to 2010. There continues to be a challenge to maintaining and improving the record within a period of recession and reducing resources.
- **Delivering public confidence and satisfaction in policing**
Given the size and complexity of the MPS, there continues to be a challenge in improving public confidence and satisfaction levels. We continue to research and track our performance against the key drivers of both public confidence and satisfaction with police services.

MPS research suggests that engagement and fair treatment are the strongest drivers in improving confidence, supported by police effectiveness, and alleviating anti-social behaviour and dealing with community priorities. These drivers are underpinned by providing Londoners with information about the issues which are important to them. We have also worked to understand the drivers of public satisfaction. Police actions and treatment are the two strongest drivers - arriving in a timely manner, explaining what is happening and treating victims fairly - with follow-up and ease of contact also important. We are working to improve our performance in all these areas.

- **Public Order Policing**
We will police a significant number of public events during 2012/13, including those around the London 2012 Olympics, the Queens Diamond Jubilee, and the Notting Hill Carnival. Most public events are good natured but the level of public protest, both in scale and preparedness to use violence, visibly increased in 2011. Where intelligence suggests a need for capacity to respond to serious disorder or criminality we will ensure that we can respond effectively.

We will continue to employ learning from Operation Kirkin, our operational response to the widespread criminality and disorder that took place across London between 6-10 August 2011 and to the earlier student protests, to refine our operational tactics and aspects of our major change programmes, in particular training, response, resource management, duties management and custody provision.

- **Enhancing Counter-Terrorism Capability and Capacity**
International terrorism continues to present a real and enduring threat to the safety and security of London's communities. This continues to have an impact on the Service, both in terms of work in the capital and undertaking the national lead on policing activity.

The Service continues to work closely with Government on this activity. Our Counter Terrorism Strategy follows four clear aims - *Pursue, Prevent, Protect, Prepare* - and mirrors Government's *CONTEST* Strategy. The primary focus of *CONTEST*, international terrorism, was broadened in July 2011 to include domestic extremism and other forms of terrorism, an approach adopted by the MPS.

The Terrorism Prevention Investigation Measures bill, due to be enacted in December 2011, has the potential to impact on the way in which our services are delivered.

Non people Resources

- **Finance**
The financial landscape over the planning period continues to be challenging. Whilst the comprehensive spending review (CSR) has provided some clarity in terms of resources over the medium-term, there is still uncertainty about the exact level of funding available to the MPS. The Service will continue to explore ways of increasing productivity and efficiency to ensure resources are aligned to priorities.
- **Capital Programme**
The main uncertainty to the capital programme concerns its funding over the plan period regarding grant, revenue contributions to capital outlay, reserves, capital receipts and rising interest rates.

Change Management

- **Delivery of Savings**
An ambitious programme of savings has been included within the 2012-15 revenue budget. In 2012/13, total savings of £52.6m (when compared to the 2010/11 budget) are planned to be delivered including a number of savings relating to major change programmes. It is essential that these programmes progress in a timely way in order that a balance budget position is maintained in 2012/13. These programmes have ambitious targets and some of the corporate initiatives may be subject to challenge. Therefore to recognise the risk associated with the delivery of these savings, a resilience provision of £25.4m has been included in the budget.

Olympics

- **Preparing for the London 2012 Olympic Games and Paralympic Games**
The MPS is the national policing lead on the security of the London 2012 Games. This is a major programme of work and the Service is working closely with the Government in terms of ensuring resources and service capacity is adequate to support the delivery of a safe and secure London 2012 Games. Challenges are being addressed to ensure the policing legacy from the London 2012 Games is optimised.

People

- **Capacity and Capability**
The MPS spends some £3.5bn a year and employs over 50,000 officers and staff. The Service is engaged in major change programmes and areas of new activity including increasing levels of partnership engagement. To support this work and ensure the

effective and efficient delivery of its business the MPS continues to review its approach to talent management with a view to achieving greater flexibility and the recruitment, development, and retention of key skills.

Partnerships

- Partnership Working
The MPS Partnership strategy and plans for developing and delivering partnership working are built around four principles:
 - Partnership working is properly integrated into the Service's medium term planning and budget work;
 - Partnerships can demonstrate the delivery of added value and that their achievements outweigh the cost of developing and maintaining them;
 - Best practice is shared across the Service and proper guidance and support is available to Business Groups, and
 - Partnerships are supported by appropriate governance arrangements and comply with MPA/MPS decision-making and governance processes.

The MPS continues to build on its history of working with partners, especially at borough level through its Safer Neighbourhood teams and BOCU structures. However, this work in future will need to reflect new Government area-based frameworks that could impact on resources. Further challenges and opportunities are emerging in developing multi-agency responses to improving service delivery to Londoners, for instance in the criminal justice system. Such initiatives tend to be resource intensive although, over time, may result in efficiencies for some or all the agencies involved.

Some £1bn of MPS spend is now supported by partnership funding (specific grants £0.6bn; other £0.4bn). As finances become tighter the service increasingly has to manage the risk of withdrawal of funding from partners which result in the withdrawal of services and the inability to reduce variable and fixed costs in line with reduced income.

Corporate Governance

- Non Compliance
The key risk is in ensuring that our decision making processes and key internal controls remain fit for purpose during this time of significant change. Key governance challenges include the transition to MOPC; capturing organisational learning from Operation Kirkin and the Filkin review; adapting to the new Landscape for policing.

Equalities Implications

London's diversity is fundamental to its status as a world class city. The MPS is committed to recognising and responding to the needs of the diverse communities that we serve. It is only through this that we can police effectively.

The Diversity and Equality Strategy has four strategic themes:

- Fair and responsive services
- Enhancing community engagement
- Workforce and working culture
- Governance and performance management.

The strategy acknowledges the progress that the MPS has made over the last few years and describes our ambitions for the future. It will drive the organisation in the delivery of our primary Policing Pledge commitment of fair, dignified and respectful treatment; and support how we go about building a talented workforce and developing it to its full potential. It sets our priority areas and objectives that will benefit the organisation and London as a whole, increasing the confidence in all communities that the MPS is on their side.

In support of the strategy the MPS is implementing the Equality Standard for the Police Service. This is a national standard being adopted by all police forces. The Standard provides us with a means of measuring and monitoring the achievements and improvements we are making through the delivery of the strategy. It provides an assessment mechanism that can be used across the organization to identify and address any gaps in service delivery and allow good practice to be identified and shared.

The planning framework for 2012-15 helps to ensure that equalities and diversity implications are properly reflected in budget and business plans. Throughout the planning process Business Groups have been encouraged to consider the impact they have on internal and external communities and therefore develop activities that reflects the Service's commitment to equality and diversity issues.

All major change programmes within the MPS have effectively assessed the equality and diversity implications of their activities and this will continue as programmes move to the implementation stage.

An Equality Impact Assessment on the final Policing London Business Plan 2012-15, based on assessment against our corporate objectives and against key equalities and diversity issues will be available in time for the publication of the plan in March 2012. A draft Equalities Impact Assessment is provided below, highlighting consideration of equalities issues in this budget and business planning cycle.

1. Aims and Purposes of the Plan

London's population presently stands at approximately 7.6 million people and is expected to rise to 8.1 million by 2016. This population, made up of a diverse range of communities, cultures, spoken languages, religions, ages and beliefs, is forecast to diversify further over the coming years making London a very unique place to police and work.

The Policing London Business Plan is a joint report between the Metropolitan Police Authority (MPA) and the Metropolitan Police Service (MPS) and describes this overarching strategic approach by detailing the Service's long-term policing commitments and explaining the rationale behind how the Service determines its corporate objectives. It describes how the Service intends to work across boundaries, bringing different groups and teams together both within and external to the Service in order to provide a quality service to the people of London in the most cost effective and efficient manner possible. It also describes how it considers the requirements of the Authority and external stakeholders, particularly the Government, the Mayor and the people of London.

Public consultation is central to informing the Metropolitan Police Authority (MPA) and Metropolitan Police Service (MPS) of what London wants from its police service, and public consultation around the identification of policing priorities is a critical part of the MPA/MPS planning cycle. It allows the organisations to address any differences between public concerns and the MPS strategic objectives and ensures that Londoner's views are reflected when deciding where to direct resources.

Each year the Service carries out a Corporate Strategic Assessment which provides the foundation for the corporate planning process. The assessment provides an analysis and insight to a wide range of evidential research concerning the impact of changes to technology, crime and the population it polices, to inform strategic debate and decision making. These decisions form the basis for the development of the Policing London Business Plan and the subsequent supporting Business Group Business Plans and Operational Command Unit Plans.

The outcome of the Corporate Strategic Assessment (2010/11) identified four broad themes; Safety, Confidence, the Olympics and Value for Money. A review of the Corporate Strategic Assessment in 2011 concluded that the Assessment remained "fit for purpose" for this cycle. The four broad themes are extensive and embrace all MPS activity; they apply to every Business Group, Command Unit and individual; providing a clear framework for high level strategic thinking and decision making and they align with the Metropolitan Police Authorities' Met Forward 2 work.

Supporting these four themed areas are 14 corporate objectives. Each Business Group has responsibility for meeting the corporate objectives. These are:

Safety

- To reduce victimisation
- To target the most harmful offenders

- To reduce crime with particular reference to problem locations
- To prevent terrorism and violent extremism

Confidence

- To improve the quality of our engagement with the public
- To improve individual access to police services
- To improve response policing and the satisfaction of service users
- To improve the quality of individual interactions with the public

Olympics

- With partners to prepare for and deliver, as far as is practical, a safe and secure Olympic games
- To minimise, as far as is practical, the impact on policing London during games time
- To ensure that opportunities for legacy and learning are seized and acted upon

Value for Money

- To deliver efficient and effective support services at the lowest possible unit cost
- To reduce the cost of assets and services
- To make the most productive use of our operational people and do all that we can to maintain operational capability

The corporate objectives outline what the MPS will be focused on for the period 2012 to 2015. These are set within the context of the Commissioner's commitment to Total Policing - a total war on crime, total care for victims and total professionalism from our staff. This is supported by three aims in policing London: to cut crime, cut costs and to continue to develop the culture of the MPS. This provides an overarching strategic approach to how the MPS will provide its policing services for the period 2012 to 2015.

The Policing Plan details how the Service intends to meet the corporate objectives by describing the activities it will undertake and the targets that have been set to measure our performance.

The major change programmes together with revised ways of working, as articulated in the Policing London Business Plan, are supported by the Business Group Business Plans. On an annual basis each Business Group identifies the activities they will be focusing upon during the following year and agree revenue savings (and in some cases growth). Business Groups are asked to complete Equality Impact Assessments for activities described in their plans and to provide a statement in their plan describing how they have mitigated any impact their activities have on staff and/or members of the public, together with a link to the relevant EIAs.

As part of this process Business Groups are also asked to consider any environmental, social and economic issues identified as a result of undertaking an activity in order to ensure that the MPS is responsible, efficient and sustainable in its delivery. This is in support of the MPS Corporate Social Responsibility Strategy which draws together and builds upon existing corporate strategies, activities and processes, described in the Policing London Business Plan. The strategy provides the Service with a coordinating

framework to identify report and manage the environmental, social, ethical and economical impact as part of its overall business planning and performance management framework.

2. Examination of Available Information

Legislation

The MPA and MPS have a joint statutory duty under the Police Act 1996 (as amended by the Police and Justice Act 2008) and the Policing Plan Regulation 2008 to produce and publish an annual policing plan. The Police Reform and Social Responsibility Act 2011 states that the Mayor's Office for Policing and Crime must, in particular hold the Commissioner to account for a number of areas including "the exercise of duties relating to equality and diversity imposed on the Commissioner by any enactment". Given the introduction of new governance and accountability structures for the Service we will continue to work with colleagues to ensure that the Policing London Business Plan 2012-15 meets requirements.

This year's plan, (Policing London Business Plan 2012-15), continues to focus on performance delivery within the context of significant budgetary constraints. The Service will do this by retaining focus on its core priorities in order to maintain operational capability, by ensuring it has lean management processes that drive the business and that it makes best use of operational assets. The major change programmes play a pivotal role in achieving this.

The Equality Act 2010 (that became law 1 October 2010) replacing previous equalities legislation, such as the Race Relations Act 1976 and the Disability Discrimination Act 1995, requires that we consider the individual and cumulative effect of the objectives and activities described in the draft Policing London Business Plan against the following "protected characteristics":

- Age
- Disability
- Gender Reassignment
- Marriage and Civil Partnership
- Pregnancy and Maternity
- Religion or Belief
- Race
- Sex
- Sexual Orientation

The Service undertakes Equality Impact Assessments for all major change programmes and activity. These assess the impact of activity within the context of the "protected characteristics". As a result of these assessments action is taken to mitigate and manage any adverse impacts. This is monitored on a regular basis.

Corporate Strategic Assessment (CSA)

The Corporate Strategic Assessment (CSA) is the primary strategic document created in the organisation. A significant part of which is to scan the external environment

reviewing political, environmental, social and technological developments in addition to legal changes and economic outlook.

Feeding into the development of the CSA are a number of products;

- The Landscapes - London, Crime and Citizen - covering London's demographics / crime profile / demand profile / strategic impact on policing
- Met Forward 2
- Performance monitoring and analysis
- Strategic Intelligence Assessment - from the Met Intelligence Bureau (MIB)
- Business Group Engagement - to ensure involvement of the whole organisation in strategic thinking, analysis and formulation
- Public survey - 'Have your say on Policing in London' (MPA) and
- Staff survey - 'Your Views Count'.

The key output from the CSA process is a draft set of themes and corporate objectives for consideration by Management Board, namely:

- Safety
- Confidence
- Olympics
- Value for Money

These themes and objectives provide the foundation for all subsequent planning activity and form the basis of the Policing London Business Plan.

A review of the Corporate Strategic Assessment this year concluded that the themes and corporate objectives remained "fit for purpose" for this planning cycle. The focus continues to be on effective delivery within budgetary constraints. This helps to ensure the Service makes best use of resources to deliver policing services in the most efficient way possible.

Major Change Programmes

The major change programmes through which major improvement / efficiency activity is identified and implemented form part of the Service's medium-term business and budget planning process. The approach is aimed at shaping a leaner but still effective organisation. They are set within the context of a changing operating environment with reduced funding and new and significant pressures, including the Olympics and public order challenges. We have rightly sharpened our focus on cutting costs whilst doing all that we can to maintain operational capability.

During 2012/13 we will continue to deliver major change programmes such as Territorial Policing development and will continue to realise savings from corporate synergies and efficiencies through programmes such as Corporate Real Estate. Our major change programmes are projected to generate savings in excess of £440m a year by 2014/15. Many more programmes are in the planning stage and will deliver savings in the coming years.

Key change programmes include the:

Territorial Policing Development Programme - designed to implement a cost efficient model for policing that will deliver excellent local services to the people of London.

Central Operations Improvement programme designed to implement a cost efficient policing model to deliver excellent specialist support services.

Specialist Crime Directorate Realignment Programme designed to deliver a more flexible and responsive specialist policing service and drive out inefficiencies.

Developing Resource Management (DRM) programme that focuses on delivering efficiencies in finance, procurement and estates.

Delivering Services Differently framework that will explore outsourcing and joint venture opportunities, ensuring first that internal processes are as efficient as possible.

Process Improvement - focusing on improving the efficiency of our business procedures.

The new recruitment model for Police Officers is now implemented, with the main entry route into the MPS as a Police Constable through serving as a Special Constable (MSC) and successfully completing the Police Law and Community Certificate. This will reduce training lead-in time and associated salary cost for new recruits, will utilise hands-on experience gained before appointment as a police constable, and will assist our objective of increasing MSC numbers to deliver safety in our communities.

For all major change programmes an equality impact assessment is undertaken and plans put in place to mitigate any adverse impacts. The overall equality and diversity impact of these change programmes is also being monitored at a corporate level.

Early Departure Scheme

In order to deliver savings and reductions in costs an early departure scheme was launched in November 2010. The scheme has been implemented in phases as follows:

Phase One - Launched November 2010 (Catering, Training, Redeployment, TWs, SROs)

Phase 2a - Launched 20 April 2011 (Catering, DoI, Training, Redeployment, TWs, TW managers, CCC (TOC), SCD26)

Phase 2b - Launched 6 June 2011 (TIB, Crime & CS, Intel Researchers, Logistical Services, TW managers)

Phase 2c - Launched 11 July 2011 (Telephone IBO)

Phase 2d - Launched 15 August 2011 (TP CMU) 30 August 2011 (F&R (bands D-G), SO18) 19 Sept 2011 (F&R (Band C))

Due to the voluntary nature of staff submitting personal information within the MPS, there is limited data around disability, religion or belief, gender reassignment and sexual orientation therefore we are unable to accurately assess the impact of the early departure scheme on these groups. However, data held on MetHR around age, length of service, sex, and race for the change programmes that participated in the early departure scheme outlines the following impact:

AGE *

All phases of the early departure scheme - 34% are 40-49, 13.5% are 60+

Phase One - 42% are 40-49, 17.94% are 60+

Phase 2a - 27.78% are 40-49, 10.7% are 60+

Phase 2b - 34.85% are 40-49, 11.11% are 60+

Phase 2c - 20% are 40-49, 10% are 60+

Phase 2d - 33.33% are 40-49, 16.67% are 60+

* Data from October 2011

As a comparator, in the organisation overall MPS Police staff - (40- 49) - 31.3%, (60+) - 6.2%

Greater impact on Police staff aged 40- 49 in phases one, 2b and 2d. Greater impact on Police staff aged 60+ in all phases.

LENGTH OF SERVICE *

All phases of the early departure scheme - 10.5% have 30 years or more service, 22.5% have 20-24 years service

Phase One - 8.6% have 30 years or more service, 26.29% have 20-24 years service

Phase 2a - 13.17% have 30 years or more service, 19.14% have 20-24 years service

Phase 2b - 11.11% have 30 years or more service, 22.73% have 20-24 years service

Phase 2c - None have 30 years or more service, 17.5% have 20-24 years service

Phase 2d - 7.69% have 30 years or more service, 25.64% have 20-24 years service

* Data from October 2011

As a comparator, in the organisation overall MPS Police staff - 30 years or more - 7.8%, 20-24 years - 11.3%.

Greater impact on Police staff with 30 years or more service in phases one, 2a and 2b. Greater impact on Police staff with 20-24 years service in all phases.

SEX *

All phases of the early departure scheme - 68.9% female - 31.1% male

Phase One - 78.38% female - 21.62% male

Phase 2a - 62.76% female - 37.24% male

Phase 2b - 62.12% female - 37.88% male

Phase 2c - 87.5% female - 12.5% male

Phase 2d - 65.38% female, 34.62% male

* Data from October 2011

As a comparator, in the organisation overall MPS Police staff - 58% female - 42% male

Greater impact on female staff against MPS Police Staff average

RACE *

All phases of the early departure scheme - BME - 28.87%, Non-BME - 68.98%, Not stated - 2.15%

Phase One - BME - 40.29%, Non-BME - 58.48%, Not stated - 1.23%

Phase 2a - BME - 24.49%, Non-BME - 72.22%, Not stated - 3.29%

Phase 2b - BME - 19.19%, Non-BME - 78.79%, Not stated - 2.02%

Phase 2c - BME - 15%, Non-BME - 82.5%, Not stated - 2.5%

Phase 2d - BME - 28.21%, Non-BME - 71.79%

* Data from October 2011

As a comparator, in the organisation overall MPS Police staff - BME 23%, Non-BME - 77%

Greater impact on BME staff in phases 1, 2a and 2d

3. Screening Process for relevance to Diversity and Equality issues

Does this proposal have any relevance to:

a)	Age	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
b)	Disability	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
c)	Gender Reassignment	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
d)	Marriage and Civil Partnership	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
e)	Pregnancy and Maternity	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
f)	Race	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
g)	Religion or Belief	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
h)	Sex	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
i)	Sexual Orientation	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

4. From the answers supplied, you must decide if the plan impacts upon diversity or equality issues. If yes, a full impact assessment is required

Full Impact Assessment Required?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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5. Consultation / Involvement

Who was consulted?

We have consulted with:

- Members of the Public
- MPA officers and relevant committees
- The Home Office
- The Mayor's Office

- MPS Management Board, Business Groups, HR, DCFD and employees
- Trade Unions
- Staff Support Associations

Date and method of consultation

The consultation was done through various surveys:

Annually:

- Annual London Survey (Home Office)
- Have your say on Policing in London (MPA)
- Youth Survey (Safer Neighbourhood Teams, SNT)
- Key Individual Network (SNT)

Quarterly:

- Public Attitude Survey
- User Satisfaction Survey
- British Crime Survey
- Your Views Count (MPS staff survey)

We also engaged with the groups above through various forums and meetings:

Annually:

- Ministry of Justice
- Home Office
- Stakeholders Consultation with all MPS Business Groups (questionnaires + in-depth interviews)

Quarterly:

- Borough Citizen Focus Leads & Analysts
- Independent Advisory Groups on the various 'Protected Characteristics'
- Partner Agencies, such as Department for Children, Families and Schools, Youth Justice Board, London Criminal Justice Partnership, Local Authorities, etc
- Academic Institutions; London School of Economics, Kings College and Edinburgh University
- CPEG - Community and Police Engagement Group (local communities together with the police - result gathered by the MPA)

Monthly:

- Mayor's Question Time (10 each year)
- MPA Committees (and less formal meetings between MPA and MPS)
- MPS Management Board / Confidence and Satisfaction Board / Governance Board / Performance Board
- MPS Planners Roundtable (all Business Groups represented)
- Business and Resources Group
- Change Programmes Consultation meetings

We are also engaging with international and domestic partners and communities, to enhance our security and ensure the success of our Olympic strategy.

Where are the consultation records stored?

The result of all the consultation can be found on the MPS website.

Give a brief summary of the results of the consultation / involvement? How have these affected the plan?

The potential impact (and proposed mitigation of the impact) of the overarching themes and objectives of the 2012-2015 Policing London Business Plan on the nine “protected characteristics” (as set out in the Equality Act 2010) are set out below in section 6.

6. Full Impact Assessment

Age

Safety and Confidence

- Our information management systems have allowed us to undertake analysis of the age profiles of victims and offenders. This analysis has been used as part of the Corporate Strategic Assessment which has informed the development of the Policing plan and its objectives. We recognise that older and younger people are more likely to be victims of certain types of crime and our plan therefore includes key activities to identify, manage and protect vulnerable individuals and to prioritise repeat victims and to problem solve to prevent escalation.
- The Policing plan describes how we will target the most harmful offenders in respect of the types of crime (and victimisation) that are experienced by older people and by younger people respectively by using intelligence led policing and current robust systems.
- We will continue to work with partners in Child Social Care to ensure the safety and welfare of children. We will investigate all cases of neglect and abuse against children by those responsible for their care and work to bring offenders to justice.
- We will continue to use feedback from younger and older people in shaping the future of Safer Neighbourhood teams.
- We will continue to identify problem locations in respect of crime (and victimisation) that is experienced by older people and younger people respectively by using methodology such as VOLT (Victim, Offender, Location, Time) and intelligence led policing.
- We will tackle hotspots for group and gang offending - much of our location focused work around schools and colleges will directly impact on those involved in group and gang offending.
- We will continue to ensure that our understanding of everyday life experiences for older people and younger people is used to improve their access to policing services and shape our provision of services to them - by engaging appropriately and using this information to develop our services.
- We will continue to encourage individuals and communities who may identify or

define themselves on grounds of being a younger or older person to assist us in the prevention of terrorism and violent extremism by ensuring we engage effectively with these groups.

- We have developed the MPS Children and Young Peoples strategy (2011-2014), enabling easier access to our services and offering confidence that we will respond to their concerns. We recognise that younger people tend to be less satisfied with our services and our plan includes activities to improve customer satisfaction levels.
- We will continue to focus on ensuring early identification of vulnerable victims and ensure that the services we deliver meet their needs.
- We will continue to assess our major change programmes such as TP development as more phases come on stream.
- As part of our MASH project we will continue to engage effectively with vulnerable adults and families taking into account the diverse needs of the communities we serve.
- We will through our Safer Neighbourhood teams continue to focus on local priorities for example ASB, street robbery, gun and knife crime. We will ensure that any potential impacts of this work in terms of equalities are managed effectively.
- We will continue to assess the impact of our child risk assessment model (CARM) in identifying and protecting children at risk of abuse. We will also continue to assess the impact of the new Multi Agency Safeguarding Hubs (MASH) in offering a preventative and protective environment for vulnerable children.
- We will continue to assess our approach in tackling youth violence. We will continue to use our safer neighbourhoods on-line youth survey to help us formulate individual youth action plans and provide local solutions.
- We will continue to assess the impact of our improvements to custody provision through our TP development programme better aligning supply of cells and services to meet demand.
- We will continue to assess the impact of our RESPONSE pilots that aim to improve the identification of repeat/vulnerable callers at the first point of contact to enable immediate deployment of officers and also to ensure that high risk victims are recorded on CRIS and dealt with by SNTs.

Olympics

- The MPS will face a period of unprecedented demand during the London 2012 Olympic and Paralympic Games, as the organisation delivers its largest policing operation. The Meeting Demand project is considering a variety of options for resourcing this demand. We will continue to monitor the impact of the approach as it reaches implementation stage.

Value for Money

- We will focus on maintaining operational capability and delivering effective support

services; at the lowest cost by determining new and creative ways of giving the best operational service in a leaner and more efficient organisation.

- We continue to implement a streamlined, more effective Human Resource function to support the organisational changes. This will help us ensure that we do not discriminate by choosing younger staff or roles in lower pay bands (where there may be higher numbers of younger staff) as the easiest option to achieve lowest possible unit cost.
- We will continue to assess the impact of the corporate performance review as it moves to implementation stage mitigating any potential adverse impacts whilst meeting business need.
- Throughout the implementation of the Developing Resource Management programme we will continue to assess the impact of the changes on both staff and users of our services and we will continue to mitigate the risks associated with this programme.

Disability

Safety and Confidence

- Our information management systems have allowed us to undertake analysis of disabled victims. This analysis been used as part of the Corporate Strategic Assessment which has informed the development of the Policing plan and its objectives. We recognise that disabled people are more likely to be victims of certain types of crime and our plan therefore includes key activities to identify, manage and protect vulnerable individuals and to prioritise repeat victims and to problem solve to prevent escalation.
- The Policing plan describes how we will target the most harmful offenders in respect of the types of crime (and victimisation) that are experienced by disabled people by using intelligence led policing and current robust systems.
- We will continue to identify problem locations in respect of crime (and victimisation) that is experienced by disabled people by using methodology such as VOLT and intelligence led policing.
- We will continue to ensure that our understanding of everyday life experiences for disabled people is used to improve their access to policing services and shape our provision of services to them. This builds on establishment of a Deaflink Scheme, giving a more accessible non-emergency police service to Deaf, deafened and hard of hearing people when contacting their local police.
- We will continue to encourage individuals and communities who may identify themselves as being disabled to assist us in the prevention of terrorism and violent extremism by ensuring we engage effectively with these groups.
- We recognise that disabled victims tend to record lower levels of satisfaction of the services we provide and we need to ensure that we understand what constitutes a quality interaction for disabled people (across a range of disabilities).
- We will continue to use our Public Access on line survey to ensure that our services

meet the needs of all our communities.

- We will continue to actively seek the views of deaf and disabled people to ensure that services meet their needs and that they are satisfied with the service they receive. We will continue to take on board user feedback in the design of MPS CRIB and Minicom, Text Relay and Text Phone facilities.
- We will continue to assess the impact of the new recruitment model for police officers as the project moves to implementation. This will ensure that any potential impacts are managed effectively.

Olympics

- The MPS will face a period of unprecedented demand during the London 2012 Olympic and Paralympic Games, as the organisation delivers its largest policing operation. The Meeting Demand project is considering a variety of options for resourcing this demand. We will continue to monitor the impact of the approach as it reaches implementation stage.

Value for Money

- We focus on maintaining operational capability and delivering effective support services; at the lowest cost by determining new and creative ways of giving the best operational service in a leaner and more efficient organisation - we need to ensure that flexible working arrangements and reasonable adjustments are seen as opportunities to increase our productivity, not as a threat to it.
- We are implementing a streamlined, more effective Human Resource function to support the organisational changes. This will help us ensure that we do not discriminate against disabled people when seeking the easiest option to achieve lowest possible unit cost.
- We are ensuring through our change programme's Equality Impact Assessments that people with disability are not disproportionately affected by the changes and that we understand the potential value as operational assets of officers and staff on grounds of having a disability.
- We will continue to assess the impact of the corporate performance review as it moves to implementation stage mitigating any potential adverse impacts whilst meeting business need.
- Throughout the implementation of the Developing Resource Management programme we will continue to assess the impact of the changes on both staff and users of our services and we will continue to mitigate the risks associated with this programme.

Gender Reassignment

Safety and Confidence

- We recognise that people undergoing gender reassignment are more likely to be victims of certain types of crime and our plan therefore includes key activities to

identify, manage and protect vulnerable individuals and to prioritise repeat victims and to problem solve to prevent escalation.

- The Policing plan describes how we will target the most harmful offenders in respect of the types of crime (and victimisation) that are experienced by people undergoing gender reassignment by using intelligence led policing and current robust systems.
- We will continue to identify problem locations in respect of crime (and victimisation) that is experienced by people undergoing gender reassignment by using methodology such as VOLT and intelligence led policing.
- We need to ensure that our understanding of everyday life experiences for people undergoing gender reassignment is used to improve their access to policing services and shape our provision of services to them - by ensuring we engage appropriately and using this information to develop our services.
- We need to ensure that we understand what constitutes a quality interaction for people undergoing gender reassignment.
- We will continue to assess the impact of the new recruitment model for police officers as the project moves to implementation. This will ensure that any potential impacts are managed effectively.

Olympics

- The MPS will face a period of unprecedented demand during the London 2012 Olympic and Paralympic Games, as the organisation delivers its largest policing operation. The Meeting Demand project is considering a variety of options for resourcing this demand. We will continue to monitor the impact of the approach as it reaches implementation stage.

Value for Money

- We are implementing a streamlined, more effective Human Resource function to support the organisational changes.
- We need to continue to encourage and retain a diverse workforce to meet the needs of our diverse and multi-cultural society.
- We will continue to assess the impact of the corporate performance review as it moves to implementation stage mitigating any potential adverse impacts whilst meeting business need.
- Throughout the implementation of the Developing Resource Management programme we will continue to assess the impact of the changes on both staff and users of our services and we will continue to mitigate the risks associated with this programme.

Marriage and Civil Partnership

No perceived impact

Pregnancy and Maternity

No perceived impact

Race

Safety and Confidence

- Our information management systems have allowed us to record the ethnicity and nationality of all victims of crime. This analysis been used as part of the Corporate Strategic Assessment which has informed the development of the Policing plan and its objectives. We recognise that people are more likely to be victims of certain types of crime on the grounds of Race (including colour, nationality, culture and ethnic or national origins) and our plan therefore includes key activities to identify, manage and protect vulnerable individuals and to prioritise repeat victims and to problem solve to prevent escalation.
- The Policing plan describes how we will target the most harmful offenders in respect of the types of crime (and victimisation) that are experienced by people on the grounds of Race (including colour, nationality, culture and ethnic or national origins) by using intelligence led policing and current robust systems. Since 2004 Operation Trident is responsible for the prevention and investigation of shootings in London's communities and all gun related murders within London's black communities.
- We will continue to identify problem locations in respect of crime (and victimisation) that is experienced by people on the grounds of Race (including colour, nationality, culture and ethnic or national origins) by using methodology such as VOLT and intelligence led policing.
- We need to ensure that our understanding of everyday life experiences for people on the grounds of Race (including colour, nationality, culture and ethnic or national origins) is used to improve their access to policing services and shape our provision of services to them - by ensuring we engage appropriately and using this information to develop our services.
- We will continue to encourage individuals and communities who may identify themselves on the grounds of Race (including colour, nationality, culture and ethnic or national origins) to feel safe to assist us in the prevention of terrorism and violent extremism by ensuring we engage effectively with these groups.
- As part of the development of CRIB we will ensure that CRIB staff have the necessary training and support to manage effectively potential language barriers.
- We will continue to use the results from the Safer Neighbourhood on-line survey to ensure that local communications meet the needs of all communities.
- Through making the crime reduction and the reduction of ASB incidents explicit objectives of Safer Neighbourhoods activities we will ensure that there is early identification and resolution of incidents that can escalate into hate crimes. We will ensure that equalities are considered as part of this process.
- We will continue to assess the impact of the new recruitment model for police officers as the project moves to implementation. This will ensure that any potential

impacts are managed effectively.

Olympics

- The MPS will face a period of unprecedented demand during the London 2012 Olympic and Paralympic Games, as the organisation delivers its largest policing operation. The Meeting Demand project is considering a variety of options for resourcing this demand. We will continue to monitor the impact of the approach as it reaches implementation stage.

Value for Money

- We are implementing a streamlined, more effective Human Resource function to support organisational changes.
- We need to continue to encourage and retain a diverse workforce to meet the needs of our diverse and multi-cultural society.
- We will continue to assess the impact of the corporate performance review as it moves to implementation stage mitigating any potential adverse impacts whilst meeting business need.
- Throughout the implementation of the Developing Resource Management programme we will continue to assess the impact of the changes on both staff and users of our services and we will continue to mitigate the risks associated with this programme.

Religion or Belief

Safety and Confidence

- Our information management systems allow us to undertake analysis of victims of faith based crime. This analysis been used as part of the Corporate Strategic Assessment which has informed the development of the Policing plan and its objectives. We recognise that people are more likely to be victims of certain types of crime on the grounds of religion or belief (or culture) and our plan therefore includes key activities to identify, manage and protect vulnerable individuals and to prioritise repeat victims and to problem solve to prevent escalation.
- The Policing plan describes how we will target the most harmful offenders in respect of the types of crime (and victimisation) that are experienced by people on the grounds of religion or belief (or culture) by using intelligence led policing and current robust systems.
- We will continue to identify problem locations in respect of crime (and victimisation) that is experienced by people on the grounds of religion or belief (or culture) by using methodology such as VOLT and intelligence led policing.
- We need to ensure that our understanding of everyday life experiences for people on the grounds of religion or belief (or culture) is used to improve their access to policing services and shape our provision of services to them - by ensuring we engage appropriately and using this information to develop our services.

- We will continue to encourage individuals and communities who may identify themselves on the grounds of religion or belief (or culture) to feel safe to assist us in the prevention of terrorism and violent extremism by ensuring we engage effectively with these groups.
- We need to ensure that we understand what constitutes a quality interaction for people on the grounds of religion or belief (or culture).
- We will continue to engage with faith communities beyond the traditional Ward structure in setting local policing priorities for their area and we will ensure that changes to the SN structure support this.
- Under our Command and Control project our Central Communications Command (CCC) will continue to provide first contact in all 999 emergency and 101 non-emergency calls. We will continue to assess the impact of this approach on our diverse communities, in particular in seeking to identify repeat and vulnerable callers and victims at first point of contact to enable immediate deployment of officers and an adaptive response.
- We will continue to assess the impact of the new recruitment model for police officers as the project moves to implementation. This will ensure that any potential impacts are managed effectively.

Olympics

- The MPS will face a period of unprecedented demand during the London 2012 Olympic and Paralympic Games, as the organisation delivers its largest policing operation. The Meeting Demand project is considering a variety of options for resourcing this demand. We will continue to monitor the impact of the approach as it reaches implementation stage.

Value for Money

- We are implementing a streamlined, more effective Human Resource function to support organisational changes.
- We need to continue to encourage and retain a diverse workforce to meet the needs of our diverse and multi-cultural society.
- We will continue to assess the impact of the corporate performance review as it moves to implementation stage mitigating any potential adverse impacts whilst meeting business need.
- Throughout the implementation of the Developing Resource Management programme we will continue to assess the impact of the changes on both staff and users of our services and we will continue to mitigate the risks associated with this programme.

Sex

Safety and Confidence

- Our information management systems have allowed us to undertake analysis of victims on grounds of sex. This analysis been used as part of the Corporate Strategic Assessment which has informed the development of the Policing plan and

its objectives. We recognise that people are more likely to be victims of certain types of crime on the grounds of sex and we are enhancing our response to violence against women and girls, tackling rape and serious sexual offences.

- In supporting victims of domestic violence we continue to work with London's 32 borough partnerships to improve public confidence and satisfaction, improve the support and safety of domestic violence victims and ultimately bring more offenders to justice.
- We will continue to identify problem locations in respect of crime (and victimisation) that is experienced by people on the grounds of sex by using methodology such as VOLT and intelligence led policing.
- We will ensure that engagement with those groups disproportionately affected by particular crime types goes beyond the traditional Ward structure for example, to include consultation through schools with parents, domestic violence forums, women's groups.
- Our dedicated Sapphire teams will ensure that all victims are treated in a professional and supportive way. We will continue to use findings from the MPS Sexual Violence research programme to help us better understand allegations by victims with mental health issues, and improve our understanding of suspect profiles and repeat offending in rape allegations.
- We will continue to assess the impact of Public Order policing on the communities we serve using learning from our major change programmes and Operation Kirkin.
- We will continue to assess the impact of our work in tackling domestic violence, including through regular multi agency risk assessment conferences (MARAC) with partners on each borough with a focus on protecting victims and their children from harm and prioritising dangerous and violent offenders.
- We will continue to assess the impact of the new recruitment model for police officers as the project moves to implementation. This will ensure that any potential impacts are managed effectively.

Olympics

- The MPS will face a period of unprecedented demand during the London 2012 Olympic and Paralympic Games, as the organisation delivers its largest policing operation. The Meeting Demand project is considering a variety of options for resourcing this demand. We will continue to monitor the impact of the approach as it reaches implementation stage.

Value for Money

- We will focus on maintaining operational capability and delivering effective support services; at the lowest cost by determine new and creative ways of giving the best operational service in a leaner and more efficient organisation.
- We are implementing a streamlined, more effective Human Resource function to support the organisational changes.
- We need to continue to encourage and retain a diverse workforce to meet the

needs of our diverse and multi-cultural society.

- We will continue to assess the impact of the corporate performance review as it moves to implementation stage mitigating any potential adverse impacts whilst meeting business need.
- Throughout the implementation of the Developing Resource Management programme we will continue to assess the impact of the changes on both staff and users of our services and we will continue to mitigate the risks associated with this programme.

Sexual Orientation

Safety and Confidence

- Our information management systems allow us to undertake analysis on victims of Homophobic / Transphobic hate crime. This analysis been used as part of the Corporate Strategic Assessment which has informed the development of the Policing plan and its objectives. We recognise that people are more likely to be victims of certain types of crime on the grounds of sexual orientation and our plan therefore includes key activities to identify, manage and protect vulnerable individuals and to prioritise repeat victims and to problem solve to prevent escalation.
- We will engage a hate crime early warning system to provide an intelligence framework for the identification and management of dangerous offenders, dangerous places and vulnerable victims - particularly victims of Lesbian, Gay, Bisexual and Transgender hate crime.
- The Policing plan describes how we will target the most harmful offenders in respect of the types of crime (and victimisation) that are experienced by people on the grounds of sexual orientation by using intelligence led policing and current robust systems.
- As part of our Public Access review we will continue to consult with the LGB community to ensure that the specific needs of this community are considered.
- We will continue to identify problem locations in respect of crime (and victimisation) that is experienced by people on the grounds of sexual orientation by using methodology such as VOLT and intelligence led policing.
- We need to ensure that our understanding of everyday life experiences for people on the grounds of sexual orientation is used to improve their access to policing services and shape our provision of services to them - by ensuring we engage appropriately and using this information to develop our services.
- We need to ensure that we understand what constitutes a quality interaction for people on the grounds of sexual orientation.
- We will continue to assess the impact of the new recruitment model for police officers as the project moves to implementation. This will ensure that any potential impacts are managed effectively.

Olympics

- The MPS will face a period of unprecedented demand during the London 2012 Olympic and Paralympic Games, as the organisation delivers its largest policing operation. The Meeting Demand project is considering a variety of options for resourcing this demand. We will continue to monitor the impact of the approach as it reaches implementation stage.

Value for Money

- We are implementing a streamlined, more effective Human Resource function to support the organisational changes.
- We need to continue to encourage and retain a diverse workforce to meet the needs of our diverse and multi-cultural society.
- We will continue to assess the impact of the corporate performance review as it moves to implementation stage mitigating any potential adverse impacts whilst meeting business need.
- Throughout the implementation of the Developing Resource Management programme we will continue to assess the impact of the changes on both staff and users of our services and we will continue to mitigate the risks associated with this programme.

7. Monitoring

a) How will the implementation of the plan be monitored and by whom?

Throughout the year the MPS Management Board and Performance Board, the Mayor's Office for Policing and Crime (MOPC), the GLA Planning and Performance Committee and other committees will monitor, discuss and make decisions as may be relevant due to internal/external factors, such as financial, public or further changes in our resources. The MPS Diversity Executive Board chaired by the Deputy Commissioner meets on a bi-monthly basis to monitor and address any differential outcomes affecting service delivery or employment practices.

The Police Reform and Social Responsibility Act 2011 states that the Mayor's Office for Policing and Crime must, in particular hold the Commissioner to account for a number of areas including "the exercise of duties relating to equality and diversity imposed on the Commissioner by any enactment".

The Equality Act (2010) Section 149 creates single public sector equality duty covering all protected characteristics. This means that the MPS must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; advance equality of opportunity; and foster good relations across all protected characteristics.

The specific duties under the Public Sector Equality Duty require the MPS to publish data and other information to demonstrate compliance with the general equality duty across all of its functions and its objectives outlined in its Policing Plan including:

- information regarding the protected characteristics of the MPS workforce and of their 'customers'
- assessments of the likely impact of the MPS's proposed policies and practices on

their workforce or customers (as applicable)

- information taken into account in assessing the likely impact of the MPS's proposed policies and practices
- details of any engagement with relevant people and groups.

The MPS is continuing its work to implement the Equality Standard for the Police Service. This provides an assessment mechanism to monitor equality issues across all our functions and provides a means of driving improvement activity. MPS performance against the Equality Standard for the Police Service and improvement actions will be managed through the MPS Diversity Executive Board. In addition, for all major change programmes an equality impact assessment is undertaken and plans put in place to mitigate any adverse impacts. The overall equality impact of these change programmes is also being monitored at a corporate level.

b) How will the results of monitoring be used to develop this plan and its practices?

The result of monitoring will be used to address and assess any necessary improvements needed throughout the year, to ensure the objectives in the policing plan are met.

c) What is the timetable for monitoring, with dates?

Annually from the date of publication within a three-year cycle. However it may be revisited before such date subject to legislative changes or impacting events.

8. Public Availability of reports / result

This Equality Impact Assessment is published by the MPA at the same time as the Policing London Business Plan 2012-15, on 31 March 2012. It is held in the MPA library and is also available on the MPA website.

Draft BORROWING AND CAPITAL SPENDING PLAN 2012/13 TO 2014/15**Capital Strategy**

1. The Capital Strategy, as approved by the Authority in July 2007, represents the framework upon which to consider the investment needs of the Service. It requires proposed projects to be assessed against business priorities, while giving due consideration to the resource constraints. As such it informs financial and business planning and provides the necessary focus to analyse the affordability, prudence and sustainability of investment proposals. These are requirements of the Prudential Code which the Authority is statutorily required to adhere to.
2. The strategy is under review to reflect the direction as proposed in this Policing London Plan. The Capital Programme will be realigned to the finally approved Plan.
3. The Capital Strategy is supported by the Property Strategic Plan, the Information Technology Strategic Plan and the Transport Strategic Plan/Asset Management Plan. The capital programme as proposed is a roll forward of the previous plan completing commitments previously made. As the policing model evolves, and policing priorities clarify the direction of the programme, its project content will be adjusted as necessary.

Project Prioritisation

4. The MPA uses a project prioritisation model within the capital programme preparation and rollover process to aid construction of an optimal programme for delivery to corporate objectives and the policing model. Individual projects seeking entry to the programme are scored within 8 different criteria.
 - Continuation or completion of a project where significant expenditure has already been incurred or where the MPS is already contractually committed.
 - Statutory Requirement
 - Compliance with Health and Safety
 - Renewal or replacement of core infrastructure
 - Impact on delivery of MetForward/corporate objectives.
 - Cashable revenue savings
 - Return on Investment (Payback period)
 - Business benefits of the project.
5. The prioritisation process is not applied to specifically funded projects e.g. ACPO funded. As these are not contending for the scarce resource of use of police capital grant, borrowing or capital receipts the ranking for financial purposes is theoretical. If there was a limitation on the capacity to deliver the programme then prioritisation of these would occur.

Links to Revenue Budget

6. Revenue consequences of the capital programme are debt management costs which include repayments of principle , known as Minimum Revenue Provision (MRP) and Interest on the loan portfolio. The values for these are included in the revenue parts of the submission and **Appendix 3** - Prudential indicators for a definition.
7. Additionally capital expenditure is supported by Revenue Contributions to Capital Outlay (RCCO) which is an important funding stream, mainly used for projects which have a rapid payback in terms of revenue savings. Finally capital projects in delivery may require revenue support for non capitalisable activity necessary to deliver the overall organisational change, and then the additional costs of operating new assets, or reductions from projects targeting organisational efficiency. These consequences are included in the respective revenue cost centre estimates across the plan period.

Draft Capital Programme 2012/13 to 2018/19

9. In preparing the draft capital programme 2012/13 to 2018/19 it has been necessary to:
 - Recognise the committed schemes delayed or slipping from 2011/12, expected to carry their 2011/12 funding with them into 2012/13.
 - Give due consideration to those projects that have specific funding sources e.g. specific grants, third party contributions, major change programmes, revenue contributions and earmarked reserves.
 - Consider the organisational priority and timeliness of specific projects with obligations on delivery times. e.g. Olympics preparation will have concluded.
10. The programme is based on the known position as at the close of Period 6, September 2011. It is a dynamic programme in delivery and this proposal represents the best view at this point. This programme excludes plans for Hendon redevelopment which are currently being evaluated. The Hendon proposal is aiming to be self financing but will require medium term borrowing during planned construction to be repaid by capital receipts. In modelling a programme there is recognition of the high level of commitment of future years as a result of projects underway or planned to commence in the latter part of 2011/12. This significantly restricts the funding available for new initiatives. There is estimated to be only £14m of discretion in each of 2012/13 and 2013/4 without resorting to significant additional borrowing or early termination of existing projects.
11. The value in the aspirational programme is changing but still exceeds funding by £216m over this plan period.

Table 1 Project bids v Funding

	2011/12	2012/13	2013/14	2014/15	Total
	£000	£000	£000	£000	£000
Total Funding	197,018	170,925	130,398	118,348	616,689
Bid Programme (total demand)	219,905	211,412	211,743	189,893	832,952
Shortfall	22,887	40,487	81,345	71,545	216,263

12. It is recommended that the capital programme be limited to the completion of projects already committed and underway, falling due in 2012/13, and the high priority projects as shown within **Appendix 1**. There is a need to maintain projects which offer a cashable revenue benefit embedded in the MTFP with a reasonable payback period. Reasonable being defined as a payback period quicker than the anticipated life time of the asset acquired. All projects have been prioritised to reflect obligations and meet the Authority's objectives. **Appendix 2** shows those major projects which it is not possible to undertake under the present proposed funding arrangements.
13. As at 1st April 2012 there are planned to be £6m of Capital Reserves which will be used in support of the programme in 2012/13.
14. The Capital Programme 2012/13 - 2014/15 forms part of the overall budget submission to the MPA and then the Mayor of London. However, to ensure the MPS are able to confidently deliver the programme it will be necessary to start planning and procurement of planned new starts before the budget is agreed and based on this draft plan. All individual projects will be subjected to the normal governance processes, the provision in this draft programme does not automatically confer any budgets to specific projects.
15. Over programming i.e. scheduling projects which in total exceed the funding in any one year will continue to be a feature. The value used for programme control is 21% for 2012/13 based on the overall funding. Overprogramming figures for 2013/14 and 2014/15 are indicative at this stage See **Table 2** below for calculation.

Table 2: Setting Programming Controls

	2011/12	2012/13	2013/14	2014/15
<i>Calculation of Programme Controls</i>	£000	£000	£000	£000
Specific Funding	63,817	41,725	12,598	548
General Funding	133,201	129,200	117,800	117,800
Total Funding	197,018	170,925	130,398	118,348
Over programming @ 20%	0	35,840	33,560	10,000
Gross Programming ceiling	197,018	206,765	163,958	128,348

Funding

16. The proposed funding position for the Programme is shown at **Table 3** below. The Capital Receipts over the plan period have been retained as per last year's plan i.e. £40m per annum for the plan period. The sustainability of this throughout the planned

period is dependant on a range of factors such as the London economy and the marketability and supply of surplus properties for sale. When receipts fall, as they will in the long run, without any support by grant we will have to borrow to maintain investment levels.

Table 3: Proposed Funding of Capital Programme 2012/13 to 2014/15

Funding	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
<i>Dedicated Funding:</i>				
Total to be Financed from Revenue Contributions to Capital Outlay including SiP funds	29,052	5,461	1,230	530
Other Capital Grants & Third Party Contributions	6,881	3,302	1,160	0
Olympics/Paralympics - Home Office Specific Grant	8,010	224	0	0
ACPO (TAM) Counter Terrorism - Home Office Specific Grant	19,874	32,738	10,208	18
<i>Dedicated Funding - Sub Total</i>	<i>63,817</i>	<i>41,725</i>	<i>12,598</i>	<i>548</i>
<i>Main Funding:</i>				
Police Capital Grant	22,521	25,200	19,800	19,800
Capital Receipts	40,000	40,000	40,000	40,000
Capital Reserves - Main Programme	2,680	6,000	0	0
Borrowing	68,000	58,000	58,000	58,000
<i>Main Funding - Sub Total</i>	<i>133,201</i>	<i>129,200</i>	<i>117,800</i>	<i>117,800</i>
Total Funding	197,018	170,925	130,398	118,348

There are no new proposed PFI or PPP in the medium term plan.

Risks to the Capital Programme

17. Past borrowing has been principally at fixed rate and the intention is to continue with this option when using PWLB as a capital source, subject to the periodic review of the Treasury Management policy. This limits immediate exposure to market changes. Future borrowing will be at prevailing rates which may differ from current plan expectations. This will be kept under review by the Treasury team.
18. Capital receipts shortfall is a risk, there are limited capital reserves available and these are likely to be deployed in support of the 2012/13 programme. In the short run the options are to borrow or to reduce the programmed expenditure. Beyond the plan horizon of 2014/15 there is a more significant risk to sustaining the level of support at £40m per annum.
19. Slippage continues to be a risk but with the annual programme levels dropping year on year due to the limitations on funding the short run position is close to the out turn of the past 3 years and does not pose a significant problem. The current year 2011/12 forecast continues to give confidence in meeting the budget with a minor overspend a possibility. The impact of this depends upon which projects are involved and their funding stream. Further assessments of movement will be undertaken during the remainder of the year to ensure adequate mitigations are in place.

Monitoring of the Capital Programme

20. Financial progress is monitored on a monthly basis with reports included in the monthly reporting to Management Board and MPA Finance & Resources Committee. There is also a more detailed quarterly progress report made to Management Board and MPA Resources and Performance Committee.
21. The detailed scrutiny and management of the programme will continue via the Capital Programme Steering Group which is chaired by the Director of Finance, which in turn reports its activity and progress to the Governance Board on a quarterly basis.
22. Additionally the main provisioning departments of Department of Information, Property Services and Transport have their own programme management meetings to review progress in their respective portfolios.

PRUDENTIAL INDICATORS

23. Based on the estimated funds available to finance the draft Borrowing and Capital Spending Plan 2012/13 - 2018/19 an updated set of key Prudential Indicators has been prepared. These are attached in **Appendix 3**. These take into account the proposed funding decisions outlined in this report and summarised in **Table 3**.
24. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations require the Authority to approve an annual statement regarding the amount of money to be set aside from revenue funds to meet the repayment of borrowing undertaken to support capital investment. This is known as the Minimum Revenue Provision (MRP) and is also included in **Appendix 3**.

Appendices:

- Appendix 1 **EXEMPT** Major Projects - > £1m whole life in proposed programme 2011/12 - 2014/15 and beyond - separate document
- Appendix 2 **EXEMPT** Major projects left in reserve list for the time being
- Appendix 3 Prudential indicators - separate document

Prudential Indicators for the Metropolitan Police Authority Including the Annual Statement of Minimum Revenue Provision

It is recognised that the underlying demand for capital investment cannot be satisfied due to present financial restraints. These Prudential Indicators have been calculated on the basis of the level of funding shown as available to support capital expenditure for the period 2012/13 to 2018/19.

In the medium term the programme is supported by £40m per annum of capital receipts from the disposal of properties as the MPS implements the consolidation of its accommodation, primarily through the Corporate Real Estates Programme. In the long term this will become unsustainable. In the medium term the receipt value is subject to the vagaries of the property market which presents a challenge to the delivery.

The affordability of the capital programme in terms of its impact on the MTFP will be closely scrutinised. Investment needs will be kept under constant review to align the longer-term plans of the Service to available resources. The prudential indicators will have to be adjusted in light of any changes made.

Long-term liabilities for the Authority have had to be revised as a result of the requirement to bring (a) Private Finance Initiative schemes onto the balance sheet; and (b) assets subject to finance leases onto the balance sheet. These are technical accounting changes to ensure compliance with International Financial Reporting Standards (IFRS).

Annual Statement of Minimum Revenue Provision

For 2012/13 the Authority will make a minimum revenue provision in accordance with:-

(a) the capital financing requirement method for any borrowing undertaken prior to 2008/09, and for all borrowing undertaken since that date supported through the revenue grant settlement: and

(b) the depreciation method for unsupported borrowing undertaken in 2008/09 and subsequent years as permitted by the flexibilities provided under the Prudential Code.

This is the same policy as adopted by the Authority since 2008/09 and it is not expected to change for future years.

In accordance with The Chartered Institute of Public Finance and Accountancy (CIPFA) Statement of Recommended Practice (SORP) for 2011/12, and other related guidance, minimum revenue provision in respect of (a) Private Finance Initiative schemes; and (b) assets subject to finance leases, both of which are now recorded as long term liabilities, is made by recognition of an element of the annual unitary charge as repayment of principal.

Affordability Indicators

1. Estimate of capital financing costs compared to net revenue stream.

2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
1.37%	1.70%	1.83%	2.01%

This indicator compares the total principal and net interest payments on external debt to the overall revenue spending of the authority. The Authority's external borrowing is considered low comparative to other authorities and there is a relatively high level of investment income, but this indicator is still important because if the level of borrowing were to increase significantly an important factor in determining the existing and future levels of debt is the level of financial support from government. With the discontinuance of SCE(R) as part of the capital settlement it is crucial to understand the affordability, prudence and sustainability of our borrowing policy. This indicator assumes the authority adopts the budget submissions in the present report. The authority has a history of utilising internal resources i.e. reserves to negate the need to go to the financial market and take out external loans. This practice is known as 'internal borrowing'. With reserves being heavily utilised (a) to ensure that expenditure levels can be maintained as a result of the Government's CSR; and (b) to maintain investment levels during the downturn in the property market, external borrowing is predicted to rise significantly during 2012/13 and following years. This is reflected in an increase over financial years in the estimate of capital financing costs compared to net revenue stream.

2. Estimated incremental impact of capital investment decisions on the council tax.

2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
£0.81	£0.51	£0.05	£1.74

This indicator shows the actual impact of capital investment decisions on the Council Tax. The indicator is calculated by comparing the cost of the capital programme including proposed increased investment, against the cost of the capital programme assuming no change to the previously approved programme. The council tax cost reflects (a) debt charges on unsupported borrowing; and (b) loss of interest on capital receipts used to finance new investment. The proposed use of borrowing to meet the shortfall in capital grant resulting from the Government's CSR is reflected in the increased incremental impact on the council tax.

Prudence Indicator

3. Net borrowing and the capital financing requirement.

CIPFA's Prudential Code includes the following as a key indicator of prudence:

"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the authority should ensure that net external borrowing does not, except in the short term, exceed the total of Capital Financing Requirement in the preceding

year plus the estimates of any additional Capital Financing requirement for the current and next two financial years”

Capital Expenditure Indicators

4. Capital Expenditure

2010/11 Actual £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000
188,224	187,038	170,925	130,398	118,348

This indicator states the total capital spend covering all capital expenditure, not just that financed by borrowing. These figures include the assumptions of expenditure being incurred for Counter Terrorism and the 2012 Olympic and Paralympic Games, which are currently expected to be funded from specific grants provided by central Government.

5. Capital financing requirement (at end of financial year)

2010/11 Actual £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000
532,334	578,432	611,502	642,642	671,829

The capital financing requirement as shown above measures the Authority’s underlying need to borrow for a capital investment purpose and does not, at the present time, take account of long liabilities relating to PFI arrangements or assets subject to finance leases. The Authority chooses not to have a direct association between borrowing and particular items or types of expenditure. The Authority has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The Authority has at any point in time, a number of cashflows (both positive and negative) and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy. In day-to-day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the Capital Financing Requirement reflects the authority’s underlying need to borrow for a capital investment purpose.

External Debt Indicators

6. Authorised Limit for External Debt

	2011/12 Original £000	2011/12 Revised £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000
Borrowing	389,175	404,165	470,946	506,757	540,321
Long Term Liabilities	109,080	109,080	105,673	102,031	98,138
PFI	6,233	6,233	6,142	6,042	5,931
Fin Leases					
Total	504,488	519,478	582,761	614,830	644,390

This is the maximum amount that the authority allows itself to borrow in each year. The Treasurer reports that these Authorised Limits are consistent with the authority's current commitments, existing plans and the proposals in the budget report for capital expenditure and financing. They are also consistent with its approved treasury management policy statement and practices. They are based on the estimate of the most prudent but not worst-case scenario, with sufficient flexibility over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure and estimates of cashflow requirements.

The above figures reflect the understanding that from 2011/12 onwards the borrowing needs of the Authority will be matched by the negotiation of external loans. Figures are calculated on a cumulative basis taking account of PWLB repayment schedules.

7. Operational Boundary for External Debt.

	2011/12 Original £000	2011/12 Revised £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000
Borrowing	338,413	351,448	409,518	440,658	469,845
Long Term Liabilities	109,080	109,080	105,673	102,031	98,138
PFI	6,233	6,233	6,142	6,042	5,931
Fin Leases					
Total	453,726	466,761	521,333	548,731	573,914

The proposed Operational Boundary for external debt is based on the same estimates as the Authorised Limit but reflects directly the estimate of the most prudent, but not worst case scenario, without the additional headroom included within

the Authorised Limit to allow for example for unusual cash movements and equates to the maximum of external debt projected by this estimate.

The concluding paragraph as noted above for the authorised limit for external debt also applies in respect of the operational boundary for external debt.

8. Actual External Debt (at start of financial year 2011/12)

Actual External Debt
1 April 2010
Actual
£000
210,350

Treasury Management Indicators

9. Net Outstanding Principal – Limits in interest rate exposure.

Limits in interest rate exposure calculated with reference to net outstanding principal sums.

	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Upper limit on fixed interest rate exposures	95%	95%	95%	95%
Upper limit on variable rate exposures	30%	30%	30%	30%

This indicator reflects the requirement specified under the Code, however the outstanding principal payable and receivable from external loans and investments is exceedingly weighted towards investment.

10. Gross Outstanding Borrowing.

Limits in interest rate exposure calculated with reference to net outstanding borrowing sums.

	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Upper limit on fixed interest rate exposures	100%	100%	100%	100%
Upper limit on variable rate exposures	30%	30%	30%	30%

11. Gross Outstanding Investment.

Limits in interest rate exposure calculated with reference to outstanding investment sums.

	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Upper limit on fixed interest rate exposures	100%	100%	100%	100%
Upper limit on variable rate exposures	100%	100%	100%	100%

12. Maturity Structure of Borrowing – Upper and Lower Limits

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

	Lower Limit %	Upper Limit %
Under 12 months	0	15
12 months and within 24 months	0	15
24 months and within 5 years	0	30
5 years and within 10 years	0	40
10 years and within 20 years	0	50
20 years and within 30 years	0	50
30 years and above	0	50

13. Principal sums invested for periods longer than 364 days.

The Authority will not consider the investment of sums for longer than 364 days.

14. The MPA has adopted the CIPFA Code of Practice for Treasury Management in Public Services.