

Appendix 1

**DRAFT**

**CORPORATE BUSINESS PLAN**



November 2006

## **Joint Foreword by the Chair of the Metropolitan Police Authority and the Commissioner of the Metropolitan Police Service.**

The coming year will present the Service with a number of challenges, while we continue to build on our successes. We must maintain and continue to improve on our high standards of service delivery, while operating within a tightening financial climate. Some examples of our recent achievements include:

- **Crime Reduction** – The MPS' performance has continued to improve over the past year. The total number of crimes reported in London between April and October this year reduced by 7.1% in comparison with the same period the previous year. During the same period residential burglary reduced by over 7.9% and gun enabled crime showed a significant reduction of 17.6%.
- **Safer Neighbourhoods** – By December of this year, we will have in place all 630 Safer Neighbourhood teams across London, which means that we now have more than 3500 staff delivering very local policing for the benefit of local people. We believe the benefit of this investment is reflected in the fall in crime.
- **Increased numbers of both Special Constables and Volunteers** - We now have over 1,400 Specials currently working within the service. The development of the Met Volunteers Programme and Volunteer Police Cadets has provided new opportunities for the Service to effectively engage community volunteers from the ages of 14 to 85.

We see particular challenges ahead in the areas highlighted below:

- **Continuing to improve the citizen experience** – It is our aim to provide quality policing services to all the communities and individuals we serve. November saw the launch of our comprehensive Quality of Service Commitment, which sets out the minimum standards of service which can be expected when a member of the public makes contact with the police for any reason.
- **The threat of terror at home and abroad** – In recent years the nature of the terror threat we face has changed. During this time, we have continued to develop our capability both to minimise the risk from terrorist activities and to provide an effective response to terrorist incidents. The implementation this year of the new SO15 Counter Terrorism Command is a significant evolution in our fight against terror and our efforts to work with the communities we serve.
- **Violence in the community** – The Violent Crime Directorate was established in March this year to provide a central focus for tackling violent crime. The Directorate is focussed on the management of both vulnerable and dangerous people in recognition of our need to continue our work in reducing the instances of violence and the fear of violence for our public.

Both the Metropolitan Police Authority and the Metropolitan Police Service are committed to ensuring Londoners receive the best possible service that we can provide. We intend to achieve this by working together with our partners and the communities of London to make London the safest major city in the world.

## **Executive summary**

As our mission states, the Metropolitan Police Service (MPS) and Metropolitan Police Authority (MPA) is working together for a safer London. To fulfil this mission we endeavour to increase public confidence and satisfaction, prevent and reduce crime, disorder and vulnerability, increase safety and security, whilst continually striving to improve our quality of service as well as our efficiency and effectiveness.

The strategic outcomes provide a framework for every member of the MPS so we all understand what to focus our effort on to achieve our mission and to make London the safest major city in the world.

We focus on the following strategic outcomes: communities are engaged with, confident in & satisfied with our service; safety and security is improved and the public feel reassured; crime, disorder, vulnerability and harm are prevented and reduced; more offenders are brought to justice.

Our Policing London Strategy is focused on providing the service that the public and other stakeholders tell us they want and need. In order to achieve our mission and deliver our strategy, in 2006/07 we identified seven strategic priorities to provide the shorter-term focus for the MPS. We have made great strides towards delivery of our strategy, using these priority areas, and will continue to build upon this success and retain these priorities during 2007/08. Our strategic priorities are listed below and are explained in greater detail within Section 2 and Annex A.

- **Citizen focus**
- **Counter-terrorism and security**
- **Safer Neighbourhoods**
- **Criminal networks**
- **Capital city policing**
- **Information quality and access**
- **Together**

The document sets out the strategic outcomes and priorities of the MPA and MPS over the next three years, including how these are decided. This is followed by a more detailed delivery plan for 2007/08, which incorporates the Met Modernisation Programme (MMP). The MMP is a programme of modernisation that will assist in delivering key change in support of our strategic priorities and improve capability across the MPS.

Our delivery plan includes an outline of our key objectives, measures and targets for 2007/08, including details of our revenue and capital plans, as well as the long-term affordability of our capital programme. There is also commentary concerning the financial outlook for the MPS/MPA during the period 2007-2010. The final section details how the MPS and MPA are continually pursuing best use of resources.

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## **1. Introduction**

In March 2006, the MPS and MPA produced a medium term Corporate Strategy (the Policing London Strategy) to provide a clear picture of the MPS' direction over three years and a separate annual policing plan to assist the Annual Performance Focus. For the first time in 2006/07, a joint strategy and policing plan was produced which enabled us to link more clearly the strategy of the MPS to its key performance requirements. This year the process has been further improved to more closely align our resources to our priorities.

This corporate business plan forms part of the 2<sup>nd</sup> year of the Policing London Strategy, and builds upon the success of the previous year in working towards our strategic outcomes. For example, the accelerated rollout of Safer Neighbourhood teams, reduction in overall crime levels and improved performance in bringing offenders to justice are all helping to improve the quality of life for Londoners and increase public satisfaction.

London is a uniquely diverse city and it is essential that we continuously build our understanding of the different needs of people who live, work in and visit our city, and respond flexibly to meet them. This means that every member of the MPS must recognise the role they play in delivering high quality policing services, whether they work directly with the public or perform a vital support role. Thus, the MPS will continue its journey to become truly citizen focused. We will build on the improvements that we have already delivered to improve further public confidence and satisfaction with our services. We will continue to improve how we engage with all of London's communities to gain a better understanding of their different needs and respond flexibly to meet them. This is why Citizen Focus is a strategic priority for the MPS in its efforts to deliver a quality service to all of London's diverse communities.

We recognise that only by improving users' experience of our services can we increase the support we get from victims and witnesses, resulting in more offences being brought to justice. Through improving how we engage and involve all the diverse communities that we serve we will increase the level and quality of community intelligence that we receive. This intelligence is vital if we are to tackle effectively those incidents of crime, disorder and anti-social behaviour that affect communities as well as providing the key to unlock the most serious crimes such as terrorism and reducing the harm caused by criminal networks.

### **Purpose of this document**

This corporate business plan details the outputs that the MPS plans to deliver in support of its priorities, together with the finance required to deliver these.

The corporate business plan has three main purposes:

- To set out how the strategic priorities contained within the Policing London Strategy will be delivered over the next three years, and the way in which business groups will contribute to their achievement;
- To present to the public and other stakeholders how the Policing London Strategy will improve service delivery to Londoners, meets their needs and demonstrates that tax-payers' money is being appropriately spent; and

- To ensure the content of the plan meets the requirements of the business plan submission to the Mayor in November, including the required budget information and financial projections (e.g. clearly identified increases in the base budget, including major initiatives and service improvements, expected changes to the funding base and efficiency savings).

The document sets out the strategic outcomes and priorities of the MPA and MPS over the next three years, including how these are decided. This is followed by a more detailed delivery plan for 2007/08, which incorporates the MMP, including details of both our revenue and capital plans. Next is an outline of our key objectives, measures and targets for 2007/08. Section 8 concerns the financial outlook, and Section 9 details how the MPS and MPA are continually pursuing best use of resources.

## **2. Strategic outcomes and priorities**

The MPA and MPS Strategy seeks to deliver four strategic outcomes:

**Communities are engaged with, confident in & satisfied with our service**

**Safety and security is improved and the public feel reassured**

**Crime, disorder, vulnerability and harm are prevented and reduced**

**More offenders are brought to justice**

In order to achieve our mission of working together for a safer London, our corporate business plan and all our activities are aligned to our seven strategic priorities:

- **Citizen Focus** – putting what you want from our police service at the heart of what the Metropolitan Police Service does;
- **Counter Terrorism, Security and Protection** – combating terrorism and improving safety and security;
- **Safer Neighbourhoods** – listening to the needs of local people, working with our partners, and our communities to tackle crime that negatively impacts on people's feelings of safety and security in their neighbourhood;
- **Criminal Networks** – developing our understanding of criminal networks and reducing the harm they cause to London;
- **Capital City Policing** – securing our transport network and the Olympic and Paralympic games, whilst ensuring the resilience to deal with major incidents;
- **Information Quality and Access** – ensuring that our staff, partners and the community have the information available they need when they need it;
- **Together** – improving the quality of leadership training that our workforce receives. Together describes our style of working and will endeavour to join all parts of the Metropolitan Police Service and unite every member of our staff behind our mission and priorities.

To support the strategic outcomes, a number of enabling priorities have been developed. Figure 1 shows how our priorities help deliver our strategic outcomes, fulfil our mission and deliver improved performance.

A detailed explanation of the strategic priorities, outcomes and the activities that are required to deliver these are attached in full within Appendix 1.

**Figure 1.** Outlines how our priorities help deliver our strategic outcomes, fulfil our mission and deliver improved performance



**Our Values**

The MPS values were developed following consultation with all staff regarding the values that our people felt to be necessary for performance improvement. Through each of us living our values we can deliver quality policing and provide a service that is truly citizen focused.

The MPS values are - working together with all our citizens, all our partners and all our colleagues:

- We will be proud to deliver quality policing - there is no greater priority;
- We will build trust by listening and responding;
- We will respect and support each other and work as a team;
- We will learn from experience and find ways to be even better.

### **3. Setting the policing priorities**

In order for the Policing Plan priorities to be decided, an extensive consultation process took place between the MPS, MPA and our partners, which included the people of London, the Greater London Authority, the Mayor of London and Crime and Disorder Reduction Partnerships.

In addition we have also taken into account the following key policing documents:

- Local Policing Priorities developed by Borough Operational Command Units in conjunction with Crime and Disorder Reduction Partnership and key local partners;
- The London-wide Policing Priorities set by the Mayor; and
- The National Community Safety Plan, which contains the Home Secretary's strategic priorities.

#### **Public and Stakeholder Consultation**

Borough Operational Command Units have local priorities that are informed by Crime and Disorder Reduction Partnerships. These are developed in conjunction with local key partners. Public consultation is an ongoing process and it is used annually to inform on the policing plan, with individuals and organisations invited to put forward their options and preferences for policing priorities. Our Strategic Priorities are closely aligned to all of these key areas. For example:

- Our Safer Neighbourhoods priority will help to address:
  - anti-social behaviour,
  - fear of crime and re-assurance,
  - Visibility,
- Traffic and road safety issues, which are part of our Capital City Policing priority.
- Part of our criminal networks priority is to focus on
  - drugs and drugs related crime,
  - gun crime,
  - targeting of prolific and priority offenders,
- Communications and approachability, which are part of the Citizen Focus priority to improve our service delivery to Londoners.

#### **Mayoral priorities**

The **Mayor's budget proposals** are a reflection of the Mayor's priority aims and objectives, that the aims of which are to make real progress can be made in achieving the Mayor's vision of an exemplary sustainable world city.

For 2007-08 the Mayor's top priority is to use the budget development process to help ensure that London is able **to mitigate and adapt to climate change**. Both the MPS' strategic outcomes and priorities are consistent with the priorities of the Mayor. For example, we are working to improve the quality of life for Londoners, assist them in feeling safer with our Safer Neighbourhoods programme, to reduce crime, and to improve the way we respond to the terrorism threat.



To deliver on the Mayor's priorities regarding sustainable development the priorities for 2007-08, the Greater London Authority (GLA) have used the budget development process to convey the Mayor's objectives. Some examples of these are to do more in the following areas:

- Highest priority given to counter terrorism and capacity to respond to major catastrophic events;
- Fall in crime in the capital;
- Londoners feeling safer and respecting the capital;
- Sustainable increase in living standards and quality of life of Londoners including maximising the level of employment for Londoners;
- Maximise the economic, social, health and environmental benefits the 2012 Olympic Games and Paralympic Games bring to London and all Londoners;
- Consumption of fewer non-renewable resources, reducing future carbon emissions and improvements to the quality of London's environment;
- Greater use of renewable energy;
- Increased levels of recycling.

### **Equalities, environment and sustainability considerations**

A large number of MPS activities and functions have a direct contribution to the quality of life of Londoners, and our mission 'working together for a safer London' is an integral part of sustainable development. In addition, the MPS has a corporate social responsibility to ensure that key sustainable development issues such as environmental management, equalities and diversity, health & safety and health are monitored and managed. The Sustainable Development Budget Return for September 2006 is at Annex A.

### **National Community Safety Plan**

The MPS' strategic priorities and outcomes are closely aligned to Government's five key strategic priorities for the police service for 2007/08. These are outlined below:

- Reduce overall crime in line with the national PSA target to reduce crime by 15%, with particular emphasis on violent crime;
- Enable people to feel safer in their communities, this includes embedding the neighbourhood policing principles, improving service delivery as well as reducing the public perception of anti-social behaviour;
- Continuing to bring offenders to justice in partnership with criminal justice agencies in line with the Government's PSA target;
- Strengthen public protection by increasing capacity and capability for dealing with widespread threats, particularly with regard to organised crime;
- Protect the country from terrorism and domestic extremism.

#### **4. Delivery Plan 2007/08**

The delivery plan for 2007/08 will build upon the work of 2006/07 in support of the strategic priorities, which are intended to deliver the strategic outcomes and improve MPS performance. The following are examples of key programmes being undertaken during 2007/08. These activities are in addition to the business as usual functions delivered by business groups.

##### **Citizen Focus**

- Deliver the Community Engagement Strategy, improving our mechanisms for community engagement and how we act on what communities tell us;
- Roll-out victim focus desks to improve how we communicate with, care for and keep victims informed through the criminal justice process;
- Based on what service users tell us we will continue to develop our services to be more responsive to the different needs of our diverse communities.

##### **Counter Terrorism, Security and Protection**

- To have in place a range of measures to continually improve performance (through the use of performance information, defined work processes, risk assessment, continuous improvement, and mentoring of Operational Command Unit Commanders)
- The new CT Command will be supported by appropriate IT and accommodation

##### **Safer Neighbourhoods**

- Continued implementation of the Safer Neighbourhoods programme, with particular consideration of those wards with larger populations
- Development of MPS anti-social behaviour control strategy to deliver a coordinated and effective approach to anti-social behaviour

##### **Criminal Networks**

- Review of the deployment of covert assets
- Creation of a Met Intelligence Bureau
- Drugs Strategy 2007-10 – this strategy pulls together enforcement, prevention, education and reducing supply and harm

##### **Capital City Policing**

- 2012 Olympics – planning and preparation
- Metcall - ensures the fundamental communication link between London's communities and the MPS that enables vital fast responses to public concerns

##### **Information Quality and Access**

- Data Quality Improvement Programme
- Management of Police Information (MOPI) Programme - implementing the recommendations of the Bichard Inquiry that is focusing particularly on the collection and use of information, and information systems (paper based and IT based), within the police service

## **Together**

- Creation of the MPS Leadership Academy and leadership development pathway
- Developing a policy framework and selection processes consistent with our values

## **Violent Crime**

Directly in support of our Strategic Outcomes, the Violent Crime Directorate was formed at the end of March 2006 to provide a central focus for the delivery of performance on violent crime, with an overarching strategy to address dangerous people, dangerous places and support vulnerable victims. This work will be further progressed during 2007/08.

## **Equalities, environmental management and health and safety**

In response to the Mayor's budget guidance the MPS has produced an integrated sustainable development budget, which pulls together details of progress, key priorities and budgets for 2007/08 on the equalities, environmental management and health strands of sustainable development. Details of the objectives within each of the areas for 2007/08 are contained within the Sustainable Development Budget Return for September 2006 and are at Annex 1.

The MPS are working to understand the implications associated with feedback in the Mayor's budget guidance on 7th November in relation to climate change, specifically, the requirement to reduce MPS CO2 emissions on the current year by 10% by 2010. A paper will be submitted to update MPA Finance Committee in January 2007.

## **Met Modernisation Programme (MMP)**

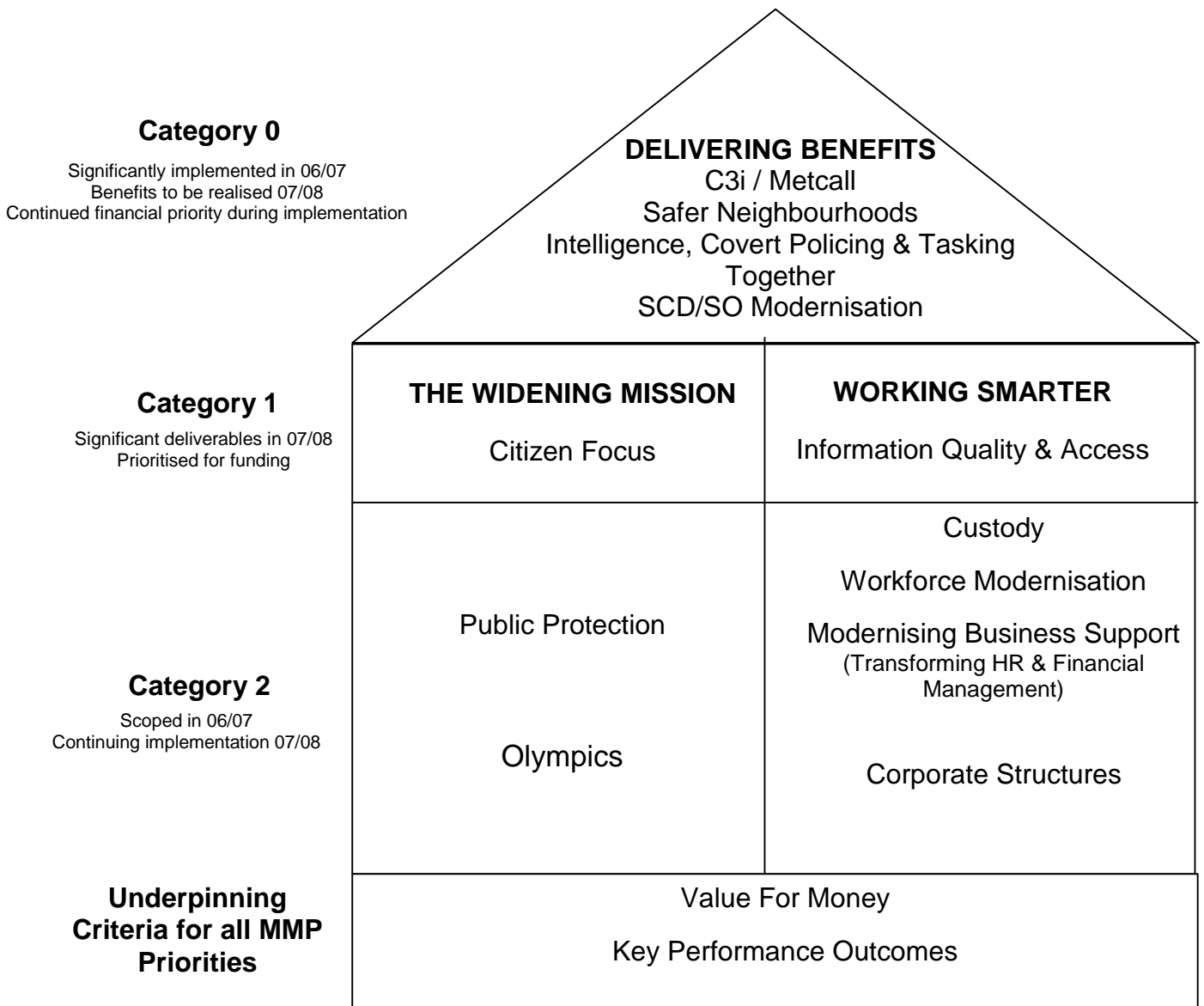
The MPA/MPS is in the second year of a programme of modernisation (MMP) that will assist in our pursuit of a more efficient and accessible police service that will benefit both the people of London and our staff.

Coordination of MPS change through the MMP will ensure that programme decisions are effective and focused on delivering service improvement, in line with strategic outcomes set out in the Policing London Strategy. The MMP will do this by providing project, programme and change management support, and supporting a culture that reflects the vision of a modernised MPS.

Since the formation of the MMP, the MPS Programme Delivery Board has helped particularly in shaping the delivery of those projects identified as a priority for delivery in 2006/2007 (i.e. Safer Neighbourhoods, C3i, Intelligence Covert Policing and Tasking and Together). The MPA Oversight Committee has played a key role in assessing progress against the plan.

Change programmes and projects within the modernisation portfolio are categorised and prioritised for 2007/08 to enable successful delivery of the Policing London Strategy, outlined in Figure 2.

**Figure 2. 2007/08 priorities for the MMP**



**5. Objectives, Measures and Targets**

Our objectives, measures and targets will assist us in ensuring our delivery plan is achieved. Table 1 sets out the critical measures and targets for the Operational Strategic Priorities. The MPA and MPS have identified these measures and targets as the critical areas for improving our performance using the Policing Performance Assessment Framework (PPAF) scores and in relation to the Public Service Agreements. It will also provide a link into the proposed next generation of PPAF, known as Assessments of Policing and Community Safety (APACS).

Effort has gone into streamlining the number of targets to enable focused activity on the critical areas where improved performance is required. It also takes account of key areas of operational development, for example in respect of neighbourhoods with high level of criminality, and other critical work not adequately covered by the

PPAF. It also allows us to take into account issues raised by the Her Majesty's Inspector of Constabularies (HMIC) baseline assessment and any future issues highlighted by APACS.

### **2006-09 Performance Ambition**

A robust performance framework is a critical means of measuring performance improvement for the MPS, and it has been used to inform particular areas of this plan where improvement and focus is required. We will use the experience we gain this year to enable the MPA with the MPS to continue to set challenging targets in 2007/08 and 2008/09. Table 1 outlines the MPA and MPS' existing Critical Performance Areas.

This years' targets reflect the priorities and outcomes from the Policing London Strategy. Performance across a wide range of objectives and indicators is being regularly monitored by the MPA. The complete list of objectives, measures and targets for 2006/07 for the operational strategic priorities are attached in full as Appendix 2. The MPA and MPS are currently in the process of reviewing these for 2007/08, but it is not anticipated that the measures will vary widely from those of 2006/07 as our strategic outcomes and priorities have remained the same.

In addition, by April 2008 the Government target is to reduce crime recorded in the British Crime Survey by 19.4% from the levels in 2003/04. The government has also set Public Service Agreements to:

- Enable the police and our other Criminal Justice partners to meet the public service agreement target of the number of offences brought to justice by April 2008, the Metropolitan Police Service will need to continue to improve the sanction detection rate in 2007/08;
- Reduce the fear of crime and anti-social behaviour and to build confidence in the criminal justice system, the Metropolitan Police Service will continue to work with its partners to build confidence in the system.

Work is currently being undertaken by the Home Office to identify new Public Service Agreements and other performance regimes for 2008/09.

**Table 1. Overview of the Critical Performance Areas and Operational Strategic Priorities**

STRATEGIC OUTCOMES	Critical Performance Area	2006/07 Targets/Indicators	2006/07 Performance Year To October
<b>Communities are engaged in and satisfied with our police service</b>	Satisfaction with the overall service provided	81% of people or more to be satisfied, very satisfied or completely satisfied	80% of people at least satisfied.
	Satisfaction of the victims of racist incidents with respect to the overall service provided	72% of people or more to be satisfied, very satisfied or completely satisfied	52% of people at least satisfied*
<b>Security is improved and the public feel reassured</b>	Percentage of police officer time spent on frontline duties	Monitor	61.9 %(2005/06)
	Using the British Crime Survey, percentage of people worried about anti-social behaviour	25% of people or less are worried about anti-social behaviour	24% of people are worried about anti-social behaviour
	Efficient and effective Counter Terrorism activity	To be assessed via HMIC baseline assessment	
<b>Crime, disorder, vulnerability and harm are prevented and reduced</b>	Reduction in 10 British Crime Survey comparator crimes	- 6.3%	-5.9%
	Violent crime (sub indicators of violence against the person and robbery also to be monitored)	-5% in British Crime Survey comparator crime	-6.6%
	To reduce crime in the most challenging wards with the highest levels of criminality	Baseline to be developed	N/a
	Percentage of domestic violence incidents where an arrest was made to related to the incident	60% (Changes made to Powers of Arrest in January 2006 may affect this target. It is currently under review and subject to alteration)	40%
	Reduction in the levels of gun crime	-4% across the Metropolitan Police Authority area	-17.6%
	Number of criminal networks disrupted (monthly average)	12.5	7.3
<b>More offenders are brought to justice</b>	Percentage of notifiable offences resulting in a sanction detection	20%	20.4%
	The number of offences brought to justice	15,417 per month	16,295 per month (April to October)

When the target was set for the satisfaction of victims of racist incidents with respect to the overall service provided performance was at 63% at least satisfied. Recent performance has improved and if this trend continues the Planning, Performance and Review Committee of the Metropolitan Police Authority will review the target.

## **6. Revenue plan 2007/08 – 2009/10**

Sustaining and improving high standards of local service delivery to London's diverse communities as well as maintaining the MPS involvement in national and international policing activities, within a tightening financial climate, inevitably requires the MPS to focus on its priorities and to use its available resources as efficiently and effectively as possible. The budget challenges experienced during the business planning process for 2007/08 have meant that difficult choices have had to be made regarding resources for next year. Investment decisions regarding the movement of resources and additional funding received have been informed by the need to deliver on the strategic priorities and outcomes, and specifically to ensure:

- the focus remains on delivery of front-line policing;
- that services are citizen focused - ensuring that the MPS/MPA responds to the needs of London's communities;
- the Safer Neighbourhoods programme is financially sustainable throughout the year; and
- continued support for Counter Terrorism.

These decisions are reflected in the total funding movements for the MPS, shown in Table 3. It highlights the increases and decreases from the base budget including new initiatives and savings. Examples of our committed increases are: increased Safer Neighbourhoods costs for both Police Officers and Police Community Support Officers and additional counter terrorism expenditure. New initiatives in 2007/08 include preparation for the 2012 Olympic Games (£4m) firearms public order training (£2.6m) and MPA community engagement and improvement programme (£0.9m).

As part of the commitment to front line service delivery, and despite budgetary constraints, the numbers of MPS police officers will increase next year and the commitment to PCSOs will continue. The MPS expects to increase police officer numbers by 270 whilst making approximately £65.0m efficiency savings (see Table 4 for comparison of the resource use in 2006/07, compared to that planned in 2007/08-2009-10).

An initial budget shortfall of £116.0m for 2007/08 was identified in June 2006, which the MPS has worked to reduce. As a result, this figure has been narrowed to a shortfall of approximately £81.0m before savings and other movements arising from Business Group business plans are taken into account. The business plans have identified net savings totalling approximately £60.0m with further opportunities for Value for Money economies of up to £5.0m per annum from 2007/08. The overall budget gap therefore is currently approximately £16.0m in 2007/08.

The new normality of the enduring threat of terrorism is a major challenge exacerbated by the unique demands placed on MPS in terms of its capital city, national and international functions. This will require further engagement with our partners, in particular Central Government, the Mayor and other security services to work out the best way forward in managing these growing pressures, and its claim on resources – for the foreseeable future.

## **Efficiency savings**

All Business Groups were asked to include savings within their business plans, as part of the measures to close the remaining budget gap, for each of the three years of the plan for consideration by MPS Management Board and the MPA. These savings were in addition to other efficiency measures already identified. These savings were submitted to MPS Management Board for consideration. Decisions regarding acceptance of cost reduction proposals and the reallocation of resources were made using the following key principles: cost reductions have minimal impact on strategic priorities and objectives; have minimal impact elsewhere within the MPS; have minimal staff reductions - particularly protecting front line services; and are achievable.

This work has identified five main areas where efficiencies and savings can be delivered:

- More effective deployment of operational resources to the front line;
- Increased efficiency in support services;
- Savings in running expenses through improved procurement and efficiency;
- Income Generation;
- Corporate Efficiency Savings.

More effective deployment of operational resources to the front line has identified a saving of £19.9m in 2007/08, £6.1m in 2008/09 and £3.5m in 2009/10. This has been achieved by ensuring budgets have been focused on the MPS key priorities.

Increased efficiency in support services has identified a saving of £13.6m in 2007/08, £4.2m in 2008/09 and £3.4m in 2009/10. These have resulted from the need to ensure front line policing is maintained, therefore requiring support functions to be provided more efficiently.

Savings in running expenses through improved procurement and efficiency has identified a saving of £18.8m in 2007/08, £6.5m in 2008/09 and £6.0m in 2009/10. The MPS has forged ahead with the efficiency agenda, and delivery of savings through better procurement, allowing resources to be maximised for policing. Examples are a saving of costs of the external ICT supplier, reduced costs of support to IT development and a reduction in utilities costs.

Income Generation is expected to deliver funding of £7.9m in 2007/08, £0.1m in 2008/09, but reducing by £2.3m in 2009/10. This is a key area to gain funding for services that support policing and other organisations. For example, the stolen vehicle unit and leasing custody cells to the Immigration Service.

Corporate Efficiency Savings has identified the potential for a saving of £5.0m in 2007/08. This supports the work of the MPS via its Value for Money Steering Group. This has identified areas where the MPS can be more efficient across the MPS. This covers areas such as internal inspectorate, hire cars, consultancy and travel.

The total business group savings endorsed by the MPA following scrutiny stand at £65.1m in 2007/08 (£60.1m from Business Group business plans and £5.0m found corporately), with a further £17.0m in 2008/09 and £10.6m in 2009/10. Efficiency



savings for 2007/08 including other efficiency measures are anticipated to be £82.4m (see Appendix 3 for further details on efficiency savings).

The full implications to staff numbers from the budgeted growth and savings have not yet been finalised so are still subject to possible changes. The picture as it currently stands is presented in the Table 2 below:

Table 2. Proposed staff changes resulting from the budgeted growth and savings 2007/08

	<b>Police Officers</b>	<b>Police Staff</b>	<b>PCSOs</b>
Changes anticipated in 2007/08	+279	-421	+76

It should be noted that the reductions in police staff numbers include the proposal to convert 326 Station Reception Officers into Station Community Support Officers.

The following three tables reflect the projected increases and decreases in expenditure (the inflation provision, committed service increases and decreases, efficiency and other savings and new initiatives) and funding movements that have resulted in the projections for 2007/08, 2008/09 and 2009/10.

Table 3 summarises the three-year plan and highlights the increases and decreases from the base budget in arriving at the draft budget plans for 2007/08, 2008/09 and 2009/10.

**Table 3. Funding movements 2007-10**

<b>Three Year Plan - Funding Movement</b>	<b>£m</b>	<b>£m</b>
<b>2006/07 Budget Requirement as per budget book</b>		<b>2,425.7</b>
Inflation	83.8	
Committed service increases	175.0	
Committed service decreases	-33.0	
Efficiency and other savings	-82.4	
New initiatives	22.5	
Movement in reserves	19.9	
Movement in specific grants	-70.8	<b>115.0</b>
<b>2007/08 draft Budget Requirement</b>		<b>2,540.7</b>
Inflation	80.1	
Committed service increases	59.0	
Committed service decreases	-26.5	
Efficiency and other savings	-17.0	
New initiatives	15.0	
Movement in reserves	-1.0	

Movement in specific grants	-26.3	83.3
<b>2008/09 draft Budget Requirement</b>		<b>2,624.0</b>
Inflation	86.0	
Committed service increases	27.7	
Committed service decreases	-11.3	
Efficiency and other savings	-10.6	
New initiatives	24.0	
Movement in reserves	0.0	
Movement in specific grants	-14.0	101.8
<b>2009/10 draft Budget Requirement</b>		<b>2,725.8</b>

**Table 4. Planned resource use 2007 - 2010**

Subjective breakdown of plans	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000
<b>Pay</b>				
Police Officer Pay	1,640,041	1,727,122	1,789,342	1,838,269
Police Staff Pay	531,890	523,085	534,394	552,679
PCSO Pay	71,261	121,092	123,097	125,647
Traffic Wardens' Pay	11,753	13,027	13,337	13,697
<b>Total Pay</b>	<b>2,254,945</b>	<b>2,384,327</b>	<b>2,460,171</b>	<b>2,530,293</b>
<b>Overtime</b>				
Police Officer Overtime	111,658	119,794	121,851	124,269
Police Staff Overtime	28,979	30,307	30,927	31,807
PCSO Overtime	775	836	856	876
Traffic Wardens' Overtime	910	940	960	990
<b>Total Overtime</b>	<b>142,322</b>	<b>151,876</b>	<b>154,593</b>	<b>157,941</b>
<b>TOTAL PAY &amp; OVERTIME</b>	<b>2,397,267</b>	<b>2,536,203</b>	<b>2,614,764</b>	<b>2,688,234</b>
<b>Running Expenses</b>				
Employee Related Expenditure	24,160	31,850	34,072	34,722
Premises Costs	202,482	220,493	231,537	246,987
Transport Costs	57,385	55,300	56,727	58,346
Supplies & Services	412,589	418,828	431,575	456,981
Capital Financing Costs	28,631	22,710	22,710	22,710
<b>TOTAL RUNNING EXPENSES</b>	<b>725,247</b>	<b>749,180</b>	<b>776,620</b>	<b>819,745</b>
<b>TOTAL EXPENDITURE</b>	<b>3,122,514</b>	<b>3,285,383</b>	<b>3,391,384</b>	<b>3,507,979</b>
<b>Income</b>				
Interest Receipts	-10,195	-10,195	-10,195	-10,195
Other Income	-258,758	-256,542	-256,727	-259,372
<b>TOTAL INCOME</b>	<b>-268,953</b>	<b>-266,737</b>	<b>-266,922</b>	<b>-269,567</b>
<b>Discretionary Pension Costs</b>				
Discretionary Pension Costs	28,475	29,260	30,010	30,800
<b>TOTAL DISCRETIONARY PENSION COSTS</b>	<b>28,475</b>	<b>29,260</b>	<b>30,010</b>	<b>30,800</b>
<b>NET EXPENDITURE</b>	<b>2,882,036</b>	<b>3,047,906</b>	<b>3,154,472</b>	<b>3,269,212</b>

Table 5 shows the planned budgets for each Business Group after changes have been made in support of delivering both strategic priorities and business need. The budget book figures for 2006/07 are shown for comparison, together with the in-year revised budget and forecast outturn as at period 6.

**Table 5. Three Year Plan – Business Group Budgets**

Service analysis	2006/07 Budget as per Budget Book	In-Year Revised Budget 2006-07*	Forecast Outturn 2006-07*	Plan 2007-08	Plan 2008-09	Plan 2009-10
	£m	£m	£m	£m	£m	£m
<b>Business Groups:</b>						
Territorial Policing	1,249.2	1,245.9	1,251.2	1,304.3	1,306.0	1,308.4
Specialist Crime Directorate	359.5	365.0	374.9	360.1	364.5	369.0
Specialist Operations	180.9	207.1	237.9	229.6	247.9	246.9
Central Operations	290.4	286.5	286.6	290.7	290.3	299.9
Central Services	32.7	33.8	32.2	32.3	31.7	31.2
Standards and Intelligence Command	67.2	66.1	65.4	64.7	63.7	62.8
Directorate of Information	189.1	210.0	210.0	210.7	198.9	195.9
Resources Directorate	266.9	268.6	269.1	279.0	287.2	296.4
Human Resources Directorate	90.9	96.8	97.6	93.4	96.9	96.3
<b>Total Business Groups</b>	<b>2,726.7</b>	<b>2,779.7</b>	<b>2,825.0</b>	<b>2,864.8</b>	<b>2,887.1</b>	<b>2,906.7</b>
<b>Corporate Budgets:</b>						
Pensions	28.5	28.5	26.8	28.5	28.5	28.5
Not yet allocated	98.2	55.6	51.0	130.9	215.3	310.4
<b>Total Corporate Budgets</b>	<b>126.6</b>	<b>84.1</b>	<b>77.8</b>	<b>159.4</b>	<b>243.7</b>	<b>338.8</b>
<b>Total MPS</b>	<b>2,853.4</b>	<b>2,863.9</b>	<b>2,902.8</b>	<b>3,024.3</b>	<b>3,130.8</b>	<b>3,245.6</b>
MPA	10.2	10.3	10.2	11.1	11.1	11.1
<b>Net service expenditure</b>	<b>2,863.6</b>	<b>2,874.2</b>	<b>2,913.0</b>	<b>3,035.4</b>	<b>3,142.0</b>	<b>3,256.7</b>
Capital financing costs	28.6	26.1	23.1	22.7	22.7	22.7
Interest receipts	-10.2	-8.2	-9.2	-10.2	-10.2	-10.2
<b>Net expenditure</b>	<b>2,882.0</b>	<b>2,892.1</b>	<b>2,926.9</b>	<b>3,047.9</b>	<b>3,154.5</b>	<b>3,269.2</b>
Specific Grants	-432.4	-440.5	-440.0	-503.2	-529.5	-543.5
<b>Net revenue expenditure</b>	<b>2,449.6</b>	<b>2,451.6</b>	<b>2,487.0</b>	<b>2,544.7</b>	<b>2,625.0</b>	<b>2,725.8</b>
Transfer from reserves	-23.9	-25.0	-25.0	-4.0	-1.0	0.0
Transfer to reserves	0.0	4.3	4.3	0.0	0.0	0.0
<b>Budget requirement</b>	<b>2,425.7</b>	<b>2,430.9</b>	<b>2,466.3</b>	<b>2,540.7</b>	<b>2,624.0</b>	<b>2,725.8</b>
<b>Funding:</b>						
Central funding	-1,818.3	-1,823.5	-1,823.5	-1,883.7		
Precept	-607.4	-607.4	-607.4	-640.8		
<b>Total Funding</b>	<b>-2,425.7</b>	<b>-2,430.9</b>	<b>-2,430.9</b>	<b>-2,524.5</b>		
<b>Budget gap</b>				<b>16.2</b>		

\* The forecast figures for 2006/07 include the cost of operations Overt and Overamp and are as per the period 6 monitoring report. The movements in reserves in these two columns differs from that shown for 2006/07 in table 7 as the latter shows a more up to date position than that presented at period 6.

## **Comments in relation to the 2007/08 business plan submission**

As part of the business planning process, the MPA has consulted with key stakeholders on the 2007/08 submission. A letter was sent in October seeking ideas on where savings could be made and requesting feedback on the seven strategic priorities identified in the Policing London Strategy. A summary of the key points are at Appendix 4.

### **7. Capital Programme 2007/08-2009/10**

The MPA also invests in assets to support the delivery of policing. The capital programme continues to be informed by the capital strategy. This has, as its key thrust, the premise that capital investment should support core policing services and the achievement of key objectives. The strategy provides a clear picture of the MPA's process for managing its assets by reference to corporate priorities. Its effectiveness is reviewed annually in the light of changing needs and priorities thereby ensuring it remains effective and reflects developments regarding best asset management. Projects are measured using key prioritisation criteria. Accordingly, business groups have been required to assess investment needs on the basis of:

- alignment with strategic priorities and outcomes;
- alignment with strands of the Met Modernisation Programme;
- a mandatory legal requirement to provide a service or asset;
- the continuation or completion of a capital project where there is a contractual commitment;
- the continuation or completion of a project where significant expenditure has already occurred and unjustifiable wastage of resources would result; or
- where significant revenue savings would result.

It is expected that the above criteria would be used to rank investment needs against realistic spending levels and work programmes. These spending levels and work programmes are to be determined in consultation with provisioning departments, recognising the project management skills necessary to ensure delivery of a capital programme to budget without undue 'slippage' occurring.

Property schemes support the rollout of the Estates Strategy and the requirement of the police service to respond to operational and community needs. e.g. Safer Neighbourhood bases, patrol bases and custody centres.

The Safer Neighbourhood programme remains within the estimates approved by Management Board and the MPA. Table 6 shows the capital programme approved in principle. However, in order to access the money each individual project or programme will need to go through the Approvals Process (see page 24 for a description of the Approvals Process) which will include submitting a robust business case to MPS Investment Board. The details of the capital programme are at Appendix 5.

**Table 6. Capital Programme 2007/08-2009/10**

<b>Expenditure</b>				
	<b>£000</b>			
	<b>Approved Budget</b>	<b>latest bid</b>	<b>latest bid</b>	<b>latest bid</b>
	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
Property Based Programmes	37,224	65,008	76,075	114,675
Information Based Programmes (excluding C3i)	42,189	49,425	66,782	48,340
Transport Based Expenditure	18,015	22,760	20,394	17,065
Other Plant & Equipment Expenditure	5,029	1,300	300	300
<b>Total - excluding C3i and SNTs</b>	<b>102,457</b>	<b>138,493</b>	<b>163,551</b>	<b>180,380</b>
C3i Programme	47,094	15,355	0	0
Safer Neighbourhoods Programme	31,750	27,350	17,700	0
<b>Grand Total - Projects</b>	<b>181,301</b>	<b>181,198</b>	<b>181,251</b>	<b>180,380</b>
<b>Funding</b>				
	<b>£000</b>			
	<b>Approved Budget</b>	<b>latest bid</b>	<b>latest bid</b>	<b>latest bid</b>
	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
Police Capital Grant	31,912	25,338	35,856	35,856
Air Support Grant	1,845	400	0	0
Other Capital Grants & Third Party Contributions	0	2,519	2,519	2,519
Borrowing	52,498	33,330	34,839	39,941
Capital Receipts	14,993	71,993	84,783	99,510
Usable Capital Reserves	209	2,359	3,000	0
Other	1,000	2,554	2,554	2,554
<b>Total - Funding of Business Groups</b>	<b>102,457</b>	<b>138,493</b>	<b>163,551</b>	<b>180,380</b>
C3i Programme - Earmarked Capital Reserves	46,194	12,955	0	0
Third Party Contributions	900	2,400	0	0
Unsupported Borrowing Safer Neighbourhoods	31,750	27,350	17,700	0
<b>Total Funding - Projects</b>	<b>181,301</b>	<b>181,198</b>	<b>181,251</b>	<b>180,380</b>

## **Capital Programme - long term affordability**

The current capital plan and requirements were submitted as part of the business planning process. The areas of particular focus have been:

- Forecasting the level of capital receipts from the sale of assets;
- The revised planned phasing of slipped schemes overrunning the 2006/07 capital programme; and
- The consideration of new projects.

The above need to be developed concurrently with a revised set of Prudential Indicators, particularly around borrowing limits.

The Estates Strategy will be considered further by Members in the near future and could therefore impact on the direction of property capital programme.

This is the first year that the capital programme has been subject to a formal planning process. The revenue implications of the capital programme have been taken into account as part of the budget process.

### *Prudential Indicators*

Since its inception the CIPFA Prudential Code has provided much needed flexibility in determining the overall scale and direction of the MPA capital spending plan. Analysis of the agreed indicators ensure that the investment plan is affordable, prudent and sustainable, that sensible planning principles are adopted, and that treasury management decisions are taken in accordance with sound financial management practice. The prudential indicators are regularly updated to ensure that the level of borrowing undertaken is maintained within affordable limits. The prudential indicators and relevant calculations used in determining the appropriate level of borrowing to be negotiated by the MPA in support of capital expenditure are shown at Appendix 6. It should be noted that at this stage the prudential indicators are still provisional as they need to be approved by both MPS Investment Board and MPA Finance Committee.

## **Robustness of the Budget Estimates**

With regard to the reliability and accuracy of the estimates, these have been put together by, or with the involvement of, qualified finance staff and reviewed by the Corporate Finance section of the MPS Finance Services Department. Budget proposals have been through a rigorous scrutiny process within the MPS, including Investment Board.

The MPA Treasurer has asked questions about the construction of the budget and the nature of individual components and has received responses from the MPS. A series of informal budget scrutiny meetings have been held by the Chair of the MPA and a small group of MPA members. The outcome of the review process for the proposed growth and savings items assessed possible impacts of any savings across business groups as well as on strategic priorities. The MPA have reviewed the budget submission and it has been agreed for submission to the Mayor.

There are a number of areas of risk in the budget as currently proposed. These can be summarised as:

- Grant settlement assumptions;
- Cost of major CT operations;

- PCSO funding;
- Precept Capping;
- The current Budget shortfall of £16.2m.

All these could have an impact on the budget. But the MPA has financial policies, accounting policies and governance arrangements which mitigate financial risks.

In summary the estimates have been prepared with a properly controlled and professionally supported process. They have also been subject to due consideration within the MPS and by the MPA. A fuller consideration of the robustness of the estimates at this point in the budget cycle is attached at Appendix 7.

## **8. Financial landscape 2007 to 2010**

The MPS/MPA's 3-year business plan, detailed in this document, needs to be considered in the context of the challenging funding issues that the MPS/MPA are likely to face during the period of this plan that are set out in the following paragraphs.

### **Grant settlement and financial outlook**

An announcement of general government grant for 2007/08 was made as part of the 2006/07 Home Office grant settlement, and included an increase on general grants for 2007/08 of 3.6%. A strong indication of the 2007/08 government grant settlement has already been made available last year as part of the advanced notification of formula grant. The figure for 2007/08 is likely to be £1,883.7m - an increase on the previous year of 3.6%. Formal consultation by Government on the 2007/08 grant figure is now thought likely to be in the last week of November. Indication of the 2008/09 grant has been received showing that the overall Home Office increase will be 2.7%. It is anticipated that the allocation nationally to the police service will be less than that figure, perhaps in the range of 2 – 2.5%, but details are not yet known.

Although it is always possible that there may be some minor changes to the 2007/08 grant, major changes are not expected this year. It is also anticipated that those authorities like the MPA at the 'grant floor' will continue to receive existing levels of grant protection.

In relation to specific grants, the level of new Counter Terrorism grant funding for 2007/08 was announced at £30.0m in 2006/07 rising to £45.0m in 2007/08. Existing CT grant funding streams were, however, frozen at 2006/07 levels so that the overall increase of £15.0m for Counter Terrorism funding is from a base of £256.8m. It should be noted that allowing for inflation at 2.5% this represents a real increase of only £8.5m for CT funding in 2007/08 above 2006/07 levels.

Similarly, other specific grants have been held at 2006/07 levels in cash terms. This includes the Crime Fighting Fund grant of £73.0m and the new Special Formula grant of £54.7m. Inflationary impacts on expenditure covered by these grants will also have to be contained within the overall MPA budget. This represents a real terms decrease of £3.2m for these specific grants.

## **Budget Guidance**

The GLA Group Budget Guidance for 2007/08 indicated that budget plans should be prepared on the basis of a Budget Requirement of £2,524.5m an annual increase of 4.1% on the 2006/07 figure. The figure was to include the full year roll out of the Safer Neighbourhoods programme.

The budget guidance also indicates that the Mayor does not wish to propose a consolidated budget that risks being capped and that the government has already stated that it expects average council tax increases in 2007/08 to be less than 5%. The draft budget is based on this guideline.

## **Financial Outlook**

The Home Office have received an early Comprehensive Spending Review (CSR) 2007 settlement. The Home Office budget has been frozen in real terms at the 2007/08 level and in order to release resources to meet its future priorities, the MPA/MPS is required to deliver a minimum of 3% net cashable savings over the CSR period, focused in priority areas. This includes procurement, shared corporate services, productive time and service transformation. Furthermore, there are indications that the Home Office may increase efficiency targets for the police service, particularly for cashable savings.

These savings are expected as part of all police forces and authorities Annual Policing Plans. This includes the requirement to identify efficiency savings and demonstrate that performance has been maintained or improved. HMIC monitors police authorities' achievements through quarterly inspections.

The 3% efficiency target for 2006/07 is £73.5m, being 3% of net revenue expenditure (NRE) of £2,449.6m. At least 1.5% (£37.0m) of NRE should be cashable efficiency savings. Under Home Office rules this target will change to reflect actual net expenditure in year. The targets for 2007/08 and 2008/09 are currently £76.2m and £78.7m, being 3% of NRE of £2,540.6m and £2,624.0m.

Some of the cashable savings identified during the business group business planning process will contribute towards meeting our efficiency target

## **Reserves**

There may be a requirement to set aside some budget in 2007/08 to replenish reserves provided their use is approved by the MPA. Reserves could be used to deal with any remaining overspend in 2006/07 arising from Operations Overt (relating to the arrests and on-going investigations into the alleged plot to manufacture and smuggle explosive devices onto aircraft) and Overamp (relating to the anti-terror raids in Sussex and South London).

Any use of general contingency reserves will need to be considered for immediate replenishment and, if deemed appropriate, would be added to the budget challenge for 2007/08. Use of reserves is a short term expedient, solving cash flow/funding issues, whilst deferring the challenge to a future financial year. The requirement in relation to the issues above will be considered by the MPA Full Authority. However, these are not likely to be exceptional incidents. The police service, and in particular the MPS, will be required to deal with an enduring threat from terrorism, which has become our new normality, and which will continue to place pressure on resources. For this reason, a long-term solution to funding future operations needs to be found



to minimise the impact on resources as the examples above have highlighted. An analysis of reserves and associated risk is attached at Appendix 8.

Table 7 details the current MPA reserves position and planned use of reserves over the period 2008/09 to 2009/10.

**Table 7. Current and planned use of reserves to 2009/10**

<b>MPA Reserves</b>	<b>Available at 31/3/06</b>			
	<b>£000</b>			
<b>General Reserve</b>	<b>-28,840</b>			
<b>Specific Earmarked Reserves</b>	<b>-105,101</b>			
<b>Total Reserves</b>	<b>-133,941</b>			
<b>MPA Reserves</b>	<b>Estimate 2006/07 £m</b>	<b>Estimate 2007/08 £m</b>	<b>Plan 2008/09 £m</b>	<b>Plan 2009/10 £m</b>
<b>Opening balances</b>				
Transfers to/from:				
Earmarked reserves	-133,941	-78,149	-74,122	-68,621
General reserve	55,792	4,027	1,001	0
	0	0	0	0
<b>Closing balances</b>	<b>-78,149</b>	<b>-74,122</b>	<b>-73,121</b>	<b>-68,621</b>

## **9. Making best use of resources**

In striving to deliver a quality police service and value for money to Londoners, the MPS is progressing a number of areas that will assist in delivering more sustained efficiency and effectiveness, as well as improving the alignment of our resources to deliver the MPS' strategic priorities. For instance, during 2006/07, the MPS has further developed its formal Approvals process, improved the integration of business and financial planning and initiated a Value for Money Steering Group. We have also progressed a number of important programmes of work within the area of human resources, namely Together, HR Transformation, and the Leadership Academy.

### **Development of the business planning process**

A review was undertaken in spring 2006 of the financial planning framework to determine how financial planning could better support the MPS. This review resulted in a new business planning process for the MPS, intended to more closely align its resources to deliver its strategic priorities.

For the first time this year, each business group produced a 3-year business plan that detailed how they planned to deliver their entire part of the business, including delivery of the strategic priorities. These plans included aligning their entire budget and human resources, as well as performance information to their objectives, as

well as incorporating efficiency planning. This process will also help to make the MPS more accountable both at business group and corporate level.

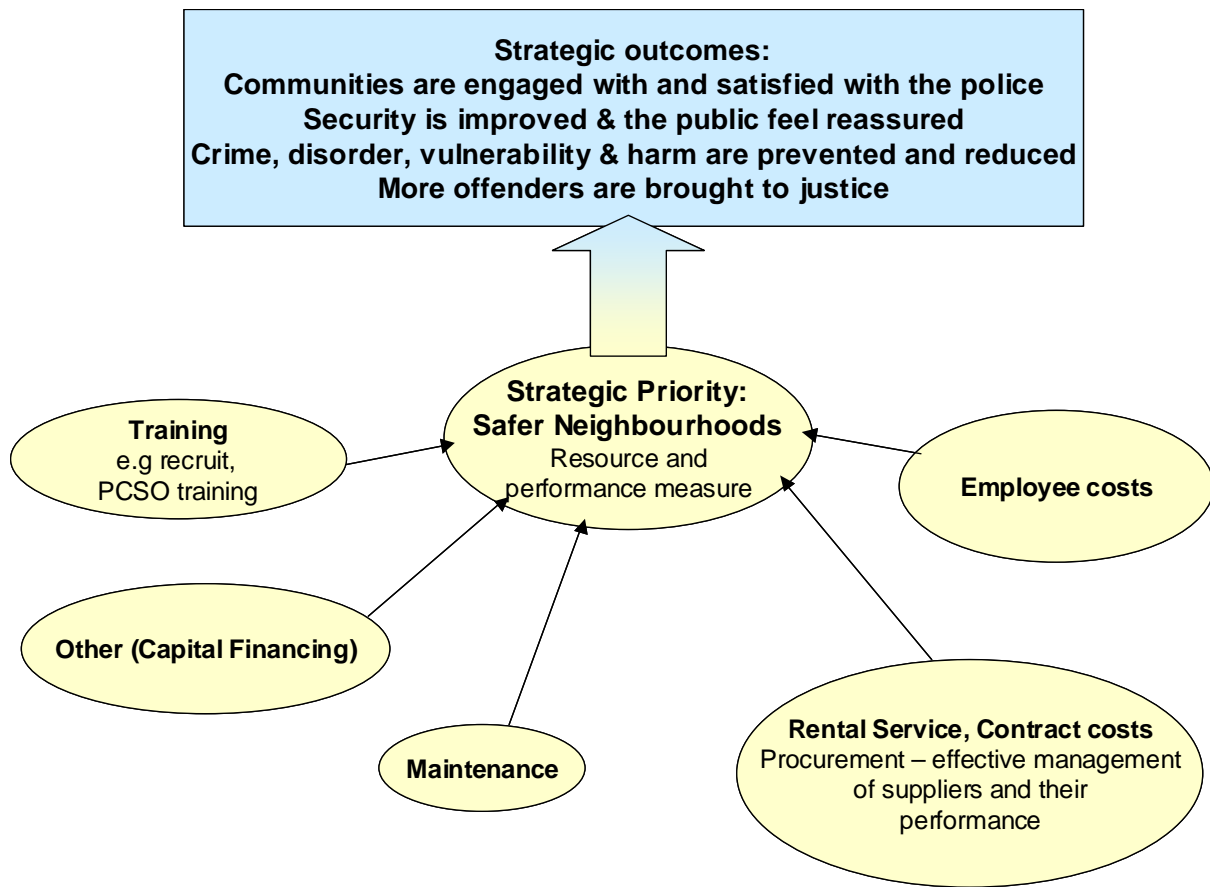
The MPS business planning process will be further developed in subsequent years to achieve its aims. For instance, there is a need to refine business group plans to ensure that, as far as possible, there is a clear and robust link aligning business group activity to our strategic priorities.

Points in relation to this year's business planning process:

- There are specific planned activities that directly contribute to a strategic priority that we are able to cost. Figure 3 shows the approach taken, using the Safer Neighbourhoods Strategic Priority as a case study;
- There are broad activities that contribute to the strategic priorities, but these cannot be directly aligned. For example, all Business Groups should be delivering services in a citizen-focused way, but these have not been directly attributed to the 'Citizen Focus' strategic priority;
- There are also activities that contribute towards the strategic outcomes, but do not contribute directly towards one of the strategic priorities. (e.g. some areas within core policing);
- Some activities support a number of priorities but cannot easily be aligned to individual priorities (this is particularly relevant to support services who may be delivering financial support, infrastructure or systems, as well as strategy development and performance management).

The intention is to reduce the proportion of the resource that is 'not directly attributable' by ensuring that as far as is practicable all activities will be aligned to a strategic priority or outcome. Items that are likely to be within this category in future years will be those that support the MPS as a whole rather than a particular strategic priority (e.g. most areas within Resources Directorate). However, it will be essential to scrutinise this proportion to ensure that the MPS is always striving for efficiency and looking to reduce this resource use as far as possible.

**Figure 3. Case study: Safer Neighbourhoods Strategic Priority**



### **Approvals process**

The Approvals process requires every significant investment to demonstrate how the change will contribute towards achieving the MPA/MPS' strategic priorities and outcomes. This now includes approval points by Investment Board at certain times throughout the change process, through to the realisation of identified benefits. This governance structure ensures all significant investment requests go through a single process that involves both MPS and MPA scrutiny, approval and monitoring. This should ensure a robust return on investment, aligned to business need.

### **Developing a Value for Money strategy**

In order to ensure the delivery of a more efficient organisation, a Value for Money (VfM) Steering Group is in place to oversee the implementation of a corporate strategy on VfM. This approach will require:

- A visible corporate statement around the delivery of Value for Money;
- Development of a robust scrutiny process for reviewing financial plans;
- Integrating business and financial planning and ensuring that these processes are aligned with the VfM strategy;
- Providing better information systems and analysis to support managers in making more cost effective decisions;

- Monitoring of the delivery of Value for Money outcomes as part of the corporate performance monitoring regime.

### **Activity Based Costing**

The MPS developed and delivered Activity Based Costing (ABC) during 2006/07 for the 2005/06 resource usage of the police service, in accordance with Home Office guidelines.

ABC provides information on how the resources of the Service are consumed by the operational activities undertaken. The MPS will need to continue the development and use of data to help identify potential areas for both efficiency and performance improvement, aligned to business need.

Work will be undertaken to build on the significant developments of the previous years, to establish a management tool, both at Borough and corporate reporting levels which is capable of providing a realistic picture of how the service funds its activity. This will enable: challenge of resource usage; provision of data as part of the 2007/08 budget process; as well decision as decision making and integration to existing performance tools.

Progress over 2007/08 will be monitored by both the Finance and Performance Committees of the MPA.

### **Human Resources**

Human Resources (HR) clearly has a major role to play as a critical business partner in enabling the MPS to meet its strategic objectives and outcomes as well as fully realise business benefits. The MPS must have a diverse workforce that puts the right people in the right roles at the right time to meet the needs of all London's communities. By employing the right people we will be able to deliver cost-effective high quality services and make the best use of the extended police family. The HR Strategy 'Enabling People' sets out the strategic direction for HR. This consists of four key strands: becoming an employer of choice; releasing potential; developing leaders and managers for the future; and using people effectively. Notably for HR, the major change programmes have been, and continue to be: Workforce Modernisation, HR Transformation, Together and the Leadership Academy.

## Strategic Priorities and Outcomes

### Strategic Priorities

#### Safer Neighbourhoods

##### Safer Neighbourhoods

Safer Neighbourhood teams will positively change the local police service we provide in London. Each neighbourhood will have a dedicated familiar team including a Sergeant, two Constables and three Police Community Support Officers to work with the local community on the crime and quality of life issues that are most important to them. The Safer Neighbourhood team will listen to the needs of local people and work with partner organisations and the community to tackle issues like graffiti, abandoned vehicles, aggressive driving, general anti-social behaviour by young people and other crime that negatively impacts on people's feelings of safety and security in their neighbourhood. Safer Neighbourhoods teams are also key to gathering information that will help us to tackle criminal networks and terrorism in London effectively.

Through Safer Neighbourhoods the Metropolitan Police Service will close the gap between people's fear of crime and our success in reducing crime in our capital. We realise that the crime targets we are set by the government and Mayor sometimes do not reflect your local needs, although they do support crime reduction in London as a whole. We know that to improve your confidence and satisfaction in our police service we have to tackle the issues that are important to you.

Since April 2006 we have already put in place all 630 Safer Neighbourhood teams across London and you may have already met members of your local team. You have told us that the work they are already doing is helping to make you feel significantly less vulnerable to becoming a victim of crime and that you value being able to influence what your local police do through citizen panel meetings.

The impact of the Safer Neighbourhood teams has directly contributed to improvements in the British Crime Survey results in relation to confidence in local policing and perceptions of Anti Social Behaviour. Of those surveyed, 54% think that local police do a good or excellent job, a 3-percentage point improvement compared to 2004/05. In relation to Anti Social Behaviour, 25% said they had a high level of worry about it, which is a reduction of 4% from the previous year. The MPS is now ranked first in its most similar force group for confidence in policing.

Safer Neighbourhoods is a key initiative in the Policing London Strategy that will enable us to deliver our priorities and aims through engaging the support of Londoners and gaining their trust and confidence in policing, thereby helping us to tackle all levels of crime. Londoners are thereby more likely to

feel it is worthwhile to invest in their communities and work in partnership with us to improve the environment in which they live and work.

### **Counter-Terrorism and Security**

The police service approach to countering terrorism aims to minimise risk and vulnerability to life and property, create a hostile environment for the terrorists and increase the feeling communities have of safety and confidence.

The guiding principle of the Metropolitan Police Service is that everyone has a part to play in combating terrorism and domestic extremism. Within the Metropolitan Police Service, Specialist Operations has lead responsibility for the investigation of terrorist offences and for the provision of personal protection for individuals under threat in the UK and abroad.

To combat terrorism successfully, and to improve safety and security, the police service as a whole is involved in gathering, analysing, passing on and acting on intelligence. Working in partnership with the Security Service and other agencies is essential. This intelligence-led approach will reduce the opportunity for criminals to commit terrorist offences and ensure we are able to bring offenders to justice, including those who support, encourage and finance terrorism.

The determination to deliver a citizen focused and responsive police service through Safer Neighbourhoods is key to countering terrorism. This initiative creates an environment that encourages and facilitates the flow of community intelligence. This critical aspect of police work increases feelings of safety, provides reassurance for communities and reduces opportunities for terrorism.

The Metropolitan Police Service is committed to safeguarding communities through excellence in security, protection and counter terrorism. This requires a strengthening of our capability, and by doing so, we will be able to demonstrate the effectiveness of the police service in fighting terrorism and increase the confidence of communities we serve. The effective delivery of counter terrorism, security and protection as a key element of the Policing London Strategy will enable the Metropolitan Police Service to pursue its widening mission to meet the needs of all London's communities.

### **Criminal Networks**

Dismantling Criminal Networks is now one of the key priorities in the Metropolitan Police Service's Corporate Strategy. A new thematic approach to criminal networks has been developed, aimed at improving our knowledge and intelligence of criminal network activity across London (and beyond), destroying these criminal networks and seizing their assets in order to reduce the harm they cause in communities and neighbourhoods across London.

Changes in technology, travel and the diversity of London's communities as well as London's increasing dominance as a major financial and cultural centre are reflected in the growing complexity and presence of criminal networks affecting our capital. To tackle this policing challenge, we need to develop a more sophisticated understanding of the social, economic and

political impact the activities of these criminal networks have on individuals, neighbourhoods, communities and London itself.

Criminal networks generally do not focus on a single activity or crime type such as drug dealing or prostitution but are involved in a range of criminal activities. They tend to take crime opportunities when they occur or commit crime in order to facilitate more serious crime, for example stealing someone's identity to make people trafficking possible. Serious and organised crime can take many forms, for example kidnap, threats to kill, shootings, robberies and extortion. Gangs involved in serious crime and violence are included in the criminal network definition.

Police will always investigate crimes as they happen, but the real challenge now is to try and prevent a larger proportion of this criminality from occurring in the first place, to be pro-active in targeting the criminal networks that we know about, and to be better prepared for dealing with crimes that require a fast-time response. In order to do this, we need to tackle the criminals and their networks and support systems as much as the crime type. We need to identify and disrupt them, and so impact on the entire range of crime they engage in to be immediately effective, but also to address crime trends in the longer term. To do this we need to map the criminal networks and all the activities they are involved in to the best of our knowledge.

We are now able to describe the criminal network activity across London much more comprehensively than ever before, and provide breakdowns to show how they contribute to the crime picture across London. From this we can demonstrate why it is necessary to tackle criminal networks and organised crime in order to reduce crime and fear of crime in London.

These figures demonstrate the increasing complexity the MPS is presented with when dealing with criminal networks. With nearly half of the networks operating at national or international level it emphasises the importance of interagency partnerships. Within the current networks there are over 30 ethnicities represented with at least as many languages spoken – this is a relevant strategic issue for the wider community engagement issues, but also for fast-time operational activity, such as kidnaps, where increasingly the MPS need to locate vetted people with language skills to help resolve the kidnap itself.

They also demonstrate how criminal networks/organised crime feed directly into violence rates and the homicide rate – this helps make organised crime more relevant to the wider policing agenda and over time will help bring the harm reduction and crime reduction performance frameworks closer together.

Community engagement is a crucial aspect of enabling us to understand the harm being caused by criminal networks within a specific community and to enable us to effectively disrupt criminal network activity and help prevent it spreading, or becoming further entrenched. We have to build up the confidence of each community/ neighbourhood so they feel safe to talk to the police and trust that we will protect them, and so that we have people willing to provide evidence against offenders when necessary. In many cases

community members are too afraid of the criminal networks or wary of the police to give evidence to enable us to convict.

We are making a concerted effort to understand how criminal networks affect the different communities in London and to work with these communities to establish a way that the police can help them. The perception of organised crime differs between cultures – some accept extortion as part of doing business and will not necessarily challenge it and usually will not report it. It is an enormous challenge for the police to gain the trust of so many different communities.

Criminal role models are present in many communities and these people often attract and encourage local vulnerable young people to take part in increasing criminal activity. Targeting these criminal role models and helping to divert the vulnerable young people away from criminal activity is part of this approach.

## **Capital City Policing**

London is unique. The most diverse city in the world, an economic powerhouse matched only by New York and Tokyo, a world creative and cultural centre and the seat of national government. No other city in the world presents such a range of policing challenges. The MPS is working 24 hours a day with our partner agencies to protect the communities, institutions and events that make London such a successful 'world city'.

Our capital is the home of the royal family, government and many national and international institutions. London is the heart of our nation's democracy and we will protect your right to celebration and lawful demonstration. We will ensure that order is kept on our streets, while minimising disruption to the life of our city. London has a tradition of being a democratic and freethinking city. In order to safeguard this and enable it to flourish, we must retain our ability to respond to those that threaten our values and democracy.

We will ensure that London continues to be the chosen venue for many of the world's major events. We want you as a resident, commuter or tourist to continue to safely enjoy the richness, culture and diversity of our world class city taking pride and pleasure in high profile events such as the 2012 Olympic and Paralympic games. We want you to feel safe in our parks, on our waterways and in all our public spaces when you choose to participate in the breadth of activities on offer. Whether you are using Transport for London services or private transport we will tackle those road safety and security issues we all see as being important, so we can all travel without fear.

We also want you to know that we are ensuring your safety through planning our response to major incidents both natural and man-made. We will remain at the cutting edge of disaster management, using our planning expertise to ensure we are prepared to respond. We will work closely with our partners in



the public and private sectors to ensure we are ready and able to meet your needs when you most need us.

We will work to make London the safest major city in the world. Through focusing on capital city policing as a strategic priority we will ensure the identity of London remains exhilarating, diverse and dynamic.

### **Information Quality and Access**

To enable the Metropolitan Police Service to deliver the policing service that London wants, our information and intelligence must be of the highest quality. Information underpins our ability to deliver. It enables vital decision-making, it allows us to be proactive and prevent crime before it occurs and is core to bringing offenders to justice. Good quality information is one of the Metropolitan Police Service's most valuable resources and must be reliable and complete if we are to achieve an effective police service for London.

Good quality information needs to be readily available to all of our staff whenever they need it to enable them to perform their roles well. We know it is important to make sure all our contact with you is right first time. Our Command, Control, Communication and Information programme (C3i) will ensure officers arriving at an incident will be aware of all available information before they arrive enabling them to provide a more effective response. Good quality information should also be available to you in a format that meets your needs whenever you want it. We want you and our staff to trust the information we hold and trust that we will use it to deliver the most effective and efficient policing service we can.

The key to making real improvements in our information quality is to change the way that we manage our information. Our staff need to better understand the value of the information the Metropolitan Police Service holds and their own role in ensuring it is of the highest quality possible. Our information and intelligence systems must speak to each other and make the tasks of entering and accessing information for policing as simple and effective as technology allows. Our systems also need to enable improvements to working with other law enforcement agencies so that together we can provide coherent police intelligence to enhance prevention of all crime and terrorism.

Open sharing of information with our partners and communities will inspire trust and confidence in the Metropolitan Police Service. We need to demonstrate, through feedback, the difference that the information you provide makes in reducing and preventing crime in your neighbourhood and across London. The inclusion of information quality improvement in delivering this strategy demonstrates the importance of information and intelligence in making London safer.

### **Citizen Focus**

Citizen focused policing is about putting what you want from our police service at the heart of what the Metropolitan Police Service does. We want to improve

our understanding of your needs. To do this we need to engage and communicate with all of London's communities. By listening to your feedback we will improve our services and shape the way we do things so you feel that we are delivering the police service you want and need.

London is a uniquely diverse city and it is essential that we continuously build our understanding of the different needs of people who live, work in and visit our city, and respond flexibly to meet them. This means that every member of the Metropolitan Police Service must recognise the role they play in delivering high quality policing services, whether they work directly with the public or perform a vital support role. All of our staff must have the confidence and the right training to enable them to use their own initiative to meet your needs.

Our policing approach will mean you will have access to the Metropolitan Police Service and our services in a variety of ways that are designed to make it easy for you to contact us. Our Command, Control, Communication and Information programme (C3i) will revolutionise the way we respond to your requests for our help. Putting you at the heart of what we do will mean that your views genuinely influence the development and delivery of policing services. We will respond quickly and flexibly to questions about any aspect of our services and will develop our understanding so that we can provide information before you have to ask. Every member of our staff will consider it essential that they keep the commitments we make to you as citizens of London.

We believe that connecting with communities and individuals will help to bring more offenders to justice because victims and witnesses will feel more comfortable engaging with us throughout the criminal justice process. We also want you to feel more comfortable passing information to us, as community intelligence is vital if we are to effectively tackle crime, disorder and anti-social behaviour, as well as providing the key to dealing with the most serious crimes including terrorism and the harm caused by criminal networks.

The inclusion of citizen focused policing in the Policing London Strategy reflects the importance the Metropolitan Police Service attaches to improving our way of working. It also demonstrates our commitment to providing a service that responds to the needs of communities and individuals, especially victims and witnesses, and inspires public confidence in the police, particularly among minority communities.

## **Together**

The mission of the Metropolitan Police Service is widening. Our challenge is to deliver improved local policing through Safer Neighbourhoods, continue to reduce crime such as robbery and burglary, as well as preventing terrorism. Underpinning our day-to-day work to meet this challenge will be 'Together'. Together describes our style of working. It is about *how* we aspire to be when delivering your policing service, and the perception that our colleagues, our partners and the public have of us as an organisation. Building on our

fundamental values, Together will develop the Metropolitan Police Service in a significant and lasting way.

To deliver against the challenges we face and to achieve the performance improvement we want, changes must take place within the Metropolitan Police Service. Together will work to join all parts of the Metropolitan Police Service and unite every member of our staff behind our mission and priorities. Over recent years we have focused successfully on building workforce capacity but we now need an equally strong focus on ensuring staff capability, particularly around management and leadership.

Together is about making the Metropolitan Police Service an organisation where all individuals, regardless of the role they play or their personal background, feel valued as part of the team. Together will work to build an organisation where all staff feel well treated, respected and invested in so that they feel able and supported in achieving their full potential. We will seize opportunities to learn and have passion and pride in delivering a quality service, enhancing our ability to prevent and reduce crime and disorder and bring offenders to justice. Enabling leadership and improving communications will be key to achieving these outcomes.

Together will also change the way we work with all our partners and the diverse communities of London. Complementing the citizen focus approach, Together will work to ensure that the public are satisfied with and confident in the policing service they receive and that people feel positive when in contact with us. We want to build more cohesive relationships with our partners so that together we can provide the most efficient and effective service for the public. The Metropolitan Police Service will go further in achieving these changes if we work together with our colleagues, our partners and with the citizens we serve. The most effective way to make London safer is to work as one unified team.

## **Strategic Outcomes**

### **Communities are engaged with, confident in & satisfied with our service**

We want to involve all of London's communities in making London safer. Your engagement will help us better understand crime, from terrorism to anti-social behaviour, help us to prevent crime and bring offenders to justice. Through talking and listening to you and responding to your needs and those of your community, you will have more confidence and trust in the police service. The more positive you feel about the police service, the more you will feel confident in coming forward with suggestions and information that will help make London safer.

### **Safety and security is improved and the public feel reassured**

We want to make you feel safe in your home, your place of work or wherever you are in London. Reassurance policing is about making you feel safe as well as reducing crime and means that we deal effectively with critical incidents as well as ensuring safety during the major events that make London a unique capital city. We will provide a local, accessible and familiar team of officers to deal with the local problems that impact on your lives and make you feel safer wherever you are.

### **Crime, disorder, vulnerability and harm are prevented and reduced**

Reducing crime, disorder and vulnerability are key to the success of the Metropolitan Police. We want to minimise the risk of you being a victim of crime but if it happens we will do everything we can to reduce the impact of that crime and work with you to prevent further crimes from being committed. Through continuing to work in and develop our partnerships we will reduce levels of crime and disorder in London to make you feel safer. This includes violent crime, gun crime, domestic violence and other forms of hate crime.

### **More offenders are brought to justice**

To ensure public confidence in the police and our criminal justice partners we need to bring those who commit crime to justice. We will continue to work more closely with our criminal justice partners to make the legal process as effective and efficient as possible.

To support the strategic outcomes the following enabling values have been identified:

## **Supporting the Strategic Outcomes**

### **A modern and diverse workforce**

The Metropolitan Police must have a diverse workforce that puts the right people in the right roles at the right time. Members of our police service should reflect the diversity of London's communities, giving us a better understanding of, and an increased ability to meet the needs of all of London. By employing the right people we will be able to deliver cost-effective high quality services and make the best use of the extended police family.

### **Enabled staff**

The most valuable resource of the police authority and the police service is their people. To deliver a safer London it is vital that each member of the service is equipped with the skills to perform to the maximum of their potential. We must ensure that you are confident that our staff has the right equipment, knowledge and skills to deliver the service you want and that our staff feel valued and motivated.

### **Better use of resources**

The public must know that the money used to police London is spent in the best possible way. It is important that our people, information and intelligence, equipment and technology are used in the most effective and efficient ways. Our work must be intelligence led and focused on the outcomes that they will achieve. We will work to reduce duplication of effort and bureaucracy so that we can spend more time than ever making London safer.

### **Cohesive partnership working**

Making London safer does not only involve the police service. It is essential that both the police authority and the police service work closely with all our partners at a local, London-wide, national and international level. To deliver a comprehensive service to Londoners we must work to reduce crime through problem solving with all of our partners including the security service, local authorities and social services. Our partners will have a clear understanding of our relationship with them as we improve all of our performance.

### **Clear communication**

To deliver the police service London deserves we will provide clear, timely and accurate communication to you and to our partners. We will be approachable and receptive when you contact us and we will listen. We want your opinions so that these can be considered in our decision-making. In return we will let you know clearly and consistently what we are doing to make London a safer place to be.

The full Policing London Strategy can be accessed on [www.met.police.uk](http://www.met.police.uk)

**Metropolitan Police Service  
Sustainable Development Budget  
Return  
September 2006**

**Summary**

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## **1 Introduction**

Sustainable development is seen by the GLA as creating a better quality of life for people, both now and in the future, setting a context within which the Mayor's objectives of economic development, social inclusion, and environmental improvement need to be achieved in a balanced manner over the long term. Before budget proposals are issued for consultation in December, it is intended that the Mayor should be adequately informed of how these issues will be delivered, the approach to taking them forward in terms of service plans, targets and programmes, and of any material budget and resource issues.

In assessing how the budget and planning process delivers sustainable development, the GLA will take account of the following:

- The balancing of the economic, social and environmental objectives required under the GLA Act; not pursuing any one element at the expense of others.
- Prioritising projects and programmes that deliver integrated economic, social and environmental benefits at the same time.
- Mechanisms in place that demonstrate that sustainability is being mainstreamed e.g. sustainability appraisal, sustainable procurement, and staff inductions.
- Reporting on sustainability indicators, which are being finalised by the GLA Sustainable Development Policy Team.

As a result the GLA Budget guidance has requested the inclusion of information and financial data around three key strands of sustainable development:

- Equalities
- Environmental Management
- Health

Detailed information on each strand is available from the following documents:

- Annex B: MPS Environmental Strategy Objectives & Targets, and associated spend
- Annex C: MPA Environment Report 2005-06 – Progress on previous years targets
- Annex D: MPS Equalities Priorities and Budget 2007/08

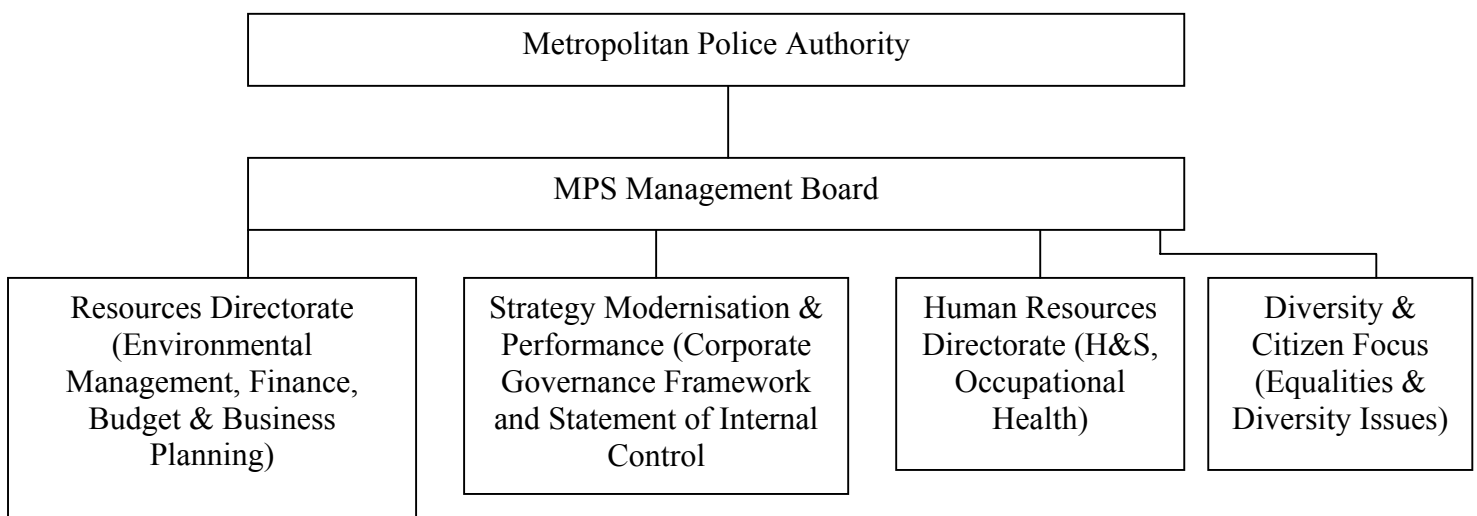
## **2 MPS & Sustainable Development**

The majority of activity carried out by the MPS falls under the umbrella of the term 'sustainable development'. It is generally accepted that sustainable development comprises of a mix of social, environmental and economic progress – 'development which meets the needs of present generations without compromising the needs of



future generations'<sup>1</sup>. The MPS would regard a large number of its activities and functions, as having a direct contribution to the quality of life of Londoner's and indeed our mission 'working together for a safer London' is an integral part of sustainable development. In addition the MPS has a corporate social responsibility to ensure that key sustainable development issues such as environmental management, equalities and diversity, health & safety and health are monitored and managed. The MPS has developed a Corporate Governance Framework which reports progress in an 'Annual Statement of Internal Control' which incorporates these themes as well as issues such as change management, citizen focus and people management. Fig 2.1 provides a simplified overview of how the MPS manages sustainable development issues.

Fig 2.1: MPS Management of Sustainable Development Issues



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<sup>1</sup> Brundtland 1988

### **3 Sustainable Development Progress, Plans & Budget**

A summary of progress and plans for 2007/08 on each key sustainable development strand is provided below:

#### **3.1 Equalities**

##### **Current Achievements**

Progress made by the MPS on equalities issues during 2005/06 and plans for 2006/07 were presented to MPA Equal Opportunities & Diversity Board in July. This report highlighted a number of key areas of work that are being progressed by the MPS. The report updated members on progress in the following areas: Community Engagement, the implementation of the MPS Race and Diversity Learning and Development Programme, the development and implementation of the MPS Equalities Scheme, progress on recommendations from the Morris/CRE/Ghaffur/Taylor report, the modernisation programme for police training and progress on implementing the recommendations in the London Domestic Violence Strategy. It also described MPS progress and plans in response to recommendations from the previous GLA Budget and Equalities report (for example plans for reducing hate crime). In many areas work will continue beyond the current year into 2007/08.

##### **Key Priorities and areas of specific emphasis during 2007-08**

Based on the equality related priorities outlined in the Mayor's budget guidance for 2007-08 and following discussions with MPA officers some initial areas of emphasis for the coming year have been identified. Further development to this list is likely to take place over the coming months, for example a GLA/MPS Budget and Equalities meeting will be held in late August. Areas of particular emphasis for 2007/08 include:

- Addressing the disproportional effects of stop and search.
- Improving performance against rape through delivery of the recommendations from the rape review
- Procurement - increasing supplier diversity and improving fair employment
- Creating a workforce that reflects the diversity of London, specifically the recruitment of Muslim police officers, PCSOs and police staff
- Improving the progression of women within the police service

Total Budget = £196 million

#### **3.2 Environmental Management**

The MPS Environment & Sustainability Team co-ordinates and monitors the delivery of the MPS Environmental Strategy 2005-10 through the Environmental Strategy Steering Group (ESSG). The Director of Resources champions the Environment Strategy at Management Board and senior members of MPS staff, who report progress quarterly at the ESSG, have responsibility for delivering the environmental

strategic objectives. The role of the MPA is to monitor and support the delivery of the Environmental Strategy.

### **Current Achievements**

In 2005/06 the Environment Team reviewed MPA/S reporting on environmental management to ensure it complies with international best practice standards and meets the needs of developing sustainability indicators being led by the GLA. The report contains progress against targets, key environmental impact data and case studies of best practice. Most significantly the MPS has:

- Gathered case studies of partnership working to reduce environmental crime and clean up areas of London through Safer Neighbourhoods;
- Rolled out 93 hybrid cars for use by Safer Neighbourhoods Teams;
- Successfully implemented a recycling scheme at one of our flagship buildings including the roll out of a no personal bin policy. Average recycling levels for 2005/06 were 47%;
- Carried out the MPS corporate travel survey at 5 MPS HQ sites and the Corporate Travel Plan is in development. A number of initiatives have been implemented including the MPS becoming affiliate members of the London Cycling Campaign, implementing a car sharing database and setting up a Cycle User Group at one of our largest sites;
- Signed up to the highest level, B2 of the Mayors Green Procurement Code. The MPS increased spend on recycled products by 170% on the previous year including horse bedding, furniture and stationery;
- Developed a Sustainable Procurement Policy and evaluation process; and
- Carried out a number of staff awareness promotions including Fairtrade Fortnight 2006.

More recently the MPS has reviewed and amended its business case guidelines for new projects to Investment Board to include consideration of environmental sustainability issues as well as equalities and health and safety. The Environment & Sustainability team will provide advice to business units on how to assess sustainability impact and suitable remedial action to mitigate negative impacts where they cannot be avoided. In addition, budget for recycling has been allocated to the Environment & Sustainability Team and a waste management and recycling officer is being appointed to drive forward the achievement of targets. Investment board have approved a revolving fund mechanism of £375,000 to ring fence savings from energy efficiency projects to fund the implementation of further energy efficiency projects. In addition, there is significant work being undertaken to ensure that the estate renewal programme is sustainable and that energy efficiency is built into the refurbishment programme. Further details are provided in Appendix B. Implementation of a carbon emission offsetting scheme for MPS official air travel has been agreed and charges will be paid from Occupational Command Unit air travel budgets. In addition, Specialist Crime Directorate has allocated a 'one off' fund of £20,000 to progress the Wildlife Crime Unit objectives for 2006-07. A budget for subsequent years has not been identified. Previous recommendations from the GLA have indicated that a ring-fenced budget should be provided by the MPS.

## **Key Priorities and areas of specific emphasis during 2007-08**

For 2007-08 the MPS intends to prioritise the following in line with the Environmental Strategy objectives:

- Continue to tackle environmental crime through the Safer Neighbourhoods initiative and Wildlife Crime officers;
- Continue working in partnership with Transport for London through the Transport Occupational Command Unit;
- Integration of sustainable design into the estate renewal programme (design of new custody centres and patrol bases);
- Integration of sustainability into the new MPS Facilities Management Service;
- The implementation of a bespoke benchmarking for energy efficiency of police buildings and monitoring improvements through the refurbishment programme;
- Publication, implementation, and promotion of the MPS Green Travel plan and associated initiatives to include promotion of operational cycle use as an effective patrol strategy;
- Implementation of offsetting MPS air travel CO<sub>2</sub> emissions. Business units will be charged to offset air mileage in line with the 'polluter pays' principle;
- Implementation of the cycle to work salary sacrifice scheme;
- The trial of 4 Hydrogen vehicles in partnership with Transport for London and the Hydrogen Partnership;
- Monitoring of CO<sub>2</sub> emissions associated with MPS hire vehicles;
- Continue trials with hybrid technology for non-response cars and evaluate their whole life cost and fuel economy;
- Continuing roll out development of environmental/sustainability awareness programmes for MPS staff including the MPS wide Environment Open Day;
- Sustainable procurement through implementation of supplier evaluation and contract review;
- Sharing of best practice and raising awareness internally and externally of best practice work of safer neighbourhood teams in improving the sustainability of London through environmental visual audits, clean up action and partnership activities.

Total Budget for Environmental Management = £24 million

*This figure does not include overall budgets for the Safer Neighbourhood's Initiative, Transport Operational Command Unit, and Safer Schools Partnership as environmental work forms part of the overall work programme which delivers a number of social and environmental benefits which are not possible to cost. It should be noted that these funds are drawn from a number of budgets allocated by the MPA for the delivery of services and frontline policing. These initiatives meet a number of objectives to support MPS policing, but have been highlighted because of their significant environmental benefits or emphasis. The figures provided show how the activities under the Environmental Strategy are funded or how existing funds support its delivery.*

### **3.3 Health**

#### Health & Safety

##### **Current Achievements**

Health and safety is corporately driven through the Commissioner and MPA strategic health and safety policy. The MPS Safety and Health Risk Management Team (SHRMT) provide the corporate lead under this document. This team is made up of 19 police staff consisting of specialist senior safety advisors, safety advisors and support staff with an annual running cost of £1.4 million less corporate sponsored training. The overall thrust of this service is to promote a safe working environment, safer workforce and positive safety culture reducing accidents, associated loss time and costs. This includes minimising the risk to the public through encouraging safer policing.

Aside from the moral and legal obligation to meet health and safety requirements, headline costs to the organisation include 37,000 days lost through loss time accidents and £553,000 for employer liability claims for FY 04/05 (the latter figure does not include accidents to third parties, members of the public and road traffic accidents). The Home Office are currently developing standards for Health & Safety management for police forces, which will facilitate a framework for comparison.

The Campaign for 2006 is a poster campaign addressing slips, trips and falls. This campaign is in line with national initiatives to reduce the number of slip, trips and falls in the workplace.

Saving can also be made by the correct interpretation and implementation of health and safety requirements. For example in 2005 a £800,000 saving was made by avoiding the purchase of unnecessary equipment that was reported to be required for H&S compliance.

Support and advice from the SHRMT is available to via a 24hr on call service. In addition to routine on call the team is available to support major operations/ incidents and was deployed to support major policing operations following the Asian tsunami and the London bombing on 7/7.

##### **Key Priorities and areas of specific emphasis during 2007-08**

- Specific accident reduction targets have been agreed by MPS Management Board/MPA for 2006-07. Future targets are agreed later financial year after performance review of the previous year.
- A programme of improved health & Safety Training framework has been developed
- To develop an enhanced major incident support capability.
- Ongoing programme of audits for OCU's.
- Complete the roll out of defibrillators to areas where officer safety training is provided

Total Budget for Safety & Risk Management Team = £1.4 million

*In addition, each occupational command unit funds Health & Safety staff and activities at a local level as required. This is not collated centrally and is not included in the above figure.*

## Occupational Health

### **Current Achievements**

The MPS has implemented a number of initiatives to reduce employee sickness and improve employee health and well-being. The MPS has internal targets to reduce officer sickness to 8 per annum and 9 days for police staff. Occupational Health (OH) has contributed to the strategic work looking at PCSO issues. Areas identified for improvement have included revised recruitment standards and improvements in training, deployment, tasking and supervision. Anecdotally there is evidence to suggest that these improvements have led to reduced absence levels for those joining the MPS after the change date of March 2005. Work is in hand to try and evidence the benefits of these changes in relation to absence levels. The MPS has:

- Developed improved compliance models with Group Business Managers.
- Worked with Police Advisory Board to change Police Regulations that work against the attendance management policy.
- Revised action plans implemented for PCSOs and Traffic Wardens.

The MPS has provided surgical and psychological medical services for officers £190,000 to enabled them to recover to full health and return to work.

The 2005/6 MPS health promotion has assessed 20,000 members of staff will have been seen at a cost of approximately £22 per officer. Initial findings indicate that 50% of attendees have been found to have raised cholesterol levels and 25% have borderline or raised blood pressure. These are hidden risk factors that if identified early can significantly reduce the risk of developing heart disease or stroke.

The cost of the promotion (£440,000) has been met from the Home Office's final year's funding under the four year National Strategy for a Healthier Workforce. In the absence of funding being made available for 2006/7, no further health promotion work will be undertaken, although it may prove possible to undertake localised promotional work in response to specific problems. Occupational Health also carries out preventative and monitoring hearing checks where high risk activities are identified. For example around 2000 officers will have been tested prior to this years Notting Hill carnival.

## **Key Priorities and areas of specific emphasis during 2007-08**

The MPS has an objective to reduce the average sickness rate for police officers to an average of 6.5 days per officer and police staff and PCSO's to an average of 9 days per member by 31<sup>st</sup> March 2007.

A training package is being developed for all Authorised Firearms Officers (AFO's), aimed at destigmatising stress and providing the knowledge and practical skills to deal with their own stress and to recognise stress in colleagues has been launched. This product will be used for the basis for other stress management development for other groups of staff.

A managers tool-kit is being developed to provide MPS managers with practical advice and guidance to manage in such a way as to proactively prevent, recognise and address work-related stressing their staff. The tool-kit is being launched in Sept 2006. The MPS are looking to broaden the delivery of this training to other categories of staff in 2007.

Total budget for OH = £4.9 million

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**2006/07 - All objectives, measures and targets**

Making Neighbourhoods Safe	Corporate Priority Objectives contributing to the Strategic Outcomes			
	Communities are engaged with, confident in & satisfied with the police	Security is improved & the public feel reassured	Crime, disorder, vulnerability & harm are prevented & reduced	More offenders are brought to justice
Objectives	<ul style="list-style-type: none"> <li>▪ To increase satisfaction and confidence in local police</li> <li>▪ To improve the quality of community information and intelligence</li> </ul>	<ul style="list-style-type: none"> <li>▪ To increase police visibility, familiarity &amp; accessibility</li> <li>▪ Together with our partners, to improve the feeling of security within neighbourhoods</li> </ul>	<ul style="list-style-type: none"> <li>▪ To reduce crime and anti-social behaviour</li> <li>▪ To reduce the harm to vulnerable people in the community</li> <li>▪ To protect the interests of and to ensure the safety of children and young people</li> </ul>	<ul style="list-style-type: none"> <li>▪ To increase the sanction detection rate (to support the increase of offences brought to justice).</li> </ul>
Indicators and Targets	<p>SPI 1 Satisfaction of victims of domestic burglary, violent crime, vehicle crime and road traffic collisions with respect to</p> <ul style="list-style-type: none"> <li>a) making contact with the police</li> <li>b) action taken by the police</li> <li>c) being kept informed of progress</li> <li>d) their treatment by staff</li> <li>e) the overall service provided (Target 81%)</li> </ul>	<p>d) Comparison of sanction detection rates for violence against the person offences by ethnicity of the victim</p> <p>SPI 4 a) Using the British Crime Survey, the risk of personal crime</p> <p>b) Using the British Crime Survey, the risk of household crime</p>	<p>SPI 5e) Life threatening crime and gun crime per 1,000 population</p> <p>f) Acquisitive crime per 1,000 population (acquisitive crime per 1,000 population, includes domestic burglary, personal robbery, vehicle crime)</p> <p>SPI 8a) Percentage of domestic violence incidents where an arrest was made related to the incident (Target 60%)</p>	<p>SPI 6b) Percentage of offences brought to justice. (achieved through SPI7A)</p> <p>SPI7a) Percentage of notifiable offences resulting in a sanction detection. (Target 20%)</p> <p>PSA3: Improve the delivery of justice by increasing the number of crimes for which an offender is brought to justice (achieved through SPI7a)</p>



	<p>SPI 2a) Using the British Crime Survey, the percentage of people who think their local police do a good job.</p> <p>SPI 3 a) Satisfaction of victims of racist incidents with respect to the overall service provided (Target 72%)</p> <p>b) Comparison of satisfaction for white users and users from minority ethnic groups with respect to the overall service provided</p> <p>c) Percentage of PACE searches which lead to arrest by ethnicity of the person searched</p>	<p>SPI 10 a) Using the British Crime Survey, fear of crime</p> <p>b) Using the British Crime Survey, perceptions of anti-social behaviour</p> <p>c) Using the British Crime Survey, perceptions of local drug use / drug dealing</p> <p>SPI 11a Percentage of police officer time spent on frontline duties</p> <p>SPI 5b) Violent crime per 1,000 population (shared with criminal networks) (Target –5% reduction in BCS crimes only – sub indicators of violence against the person and robbery also to be monitored)</p>	<p><i>PSA1 Reduction in 10 British Crime Survey comparator crimes (Target –likely to be around 6.5%)</i></p> <p><i>To reduce crime in problem wards with the highest criminality (baseline to be developed)</i></p> <p><i>SMT representation and attendance at Childrens’ Trust meetings and local Safeguarding Children Boards</i></p> <p><i>(Target – 100% attendance on all BOCUs)</i></p>	<p>Number of outstanding warrants (Target –15%)</p>
<p>Activities</p>	<p>To ensure that vulnerable victims of crime are identified and receive frequent visits from Safer Neighbourhood teams. Undertaking effective investigations through the ‘Getting it right first time’ approach.</p>	<p>To ensure the staffing on all 624 Safer Neighbourhood teams reaches the minimum level of 1 Sergeant, 2 Police Constables and 3 Police Community Support Officers.</p>	<p>The Safer Neighbourhood teams to tackle the identified priorities in each electoral ward.</p>	<p>All officers to receive sanction detection training.</p> <p>Look into the possibility of developing measures to reduce the justice gap</p>

Counter Terrorism, Security & Protection	Corporate Priority Objectives contributing to the Strategic Outcomes			
	Communities are engaged with, confident in & satisfied with the police	Security is improved & the public feel reassured	Crime, disorder, vulnerability & harm are prevented & reduced	More offenders are brought to justice
Objectives	<ul style="list-style-type: none"> <li>To create a safer environment in London Boroughs through Security, Protection and Counter Terrorism work.</li> </ul>	<ul style="list-style-type: none"> <li>To increase advanced identification of threats from, and opportunities for countering, terrorism.</li> <li>To enhance the security of key locations and protected persons.</li> </ul>		
Indicators and Targets	<p>To increase the coverage of Counter Terrorist Intelligence Officers to 70% of London Boroughs</p> <p>Suspected or actual terrorist incidents to achieve a rating of "appropriate" for scene management (Target – 90%)</p> <p>Explosives officers to attend Improvised Explosive calls within set time, 95% of the time</p>	<p>The time taken to respond to Embassy Warning System activations to diplomatic, government and vulnerable communities within 6 minutes 90% of the time</p> <p>Time taken to attend personal attack alarm and perimeter alarm activations on the main Parliamentary Estate are attended within 3 minutes to 80% of the time</p> <p>85% of Terrorist Hotline calls to be answered within set time</p>		

		<p>No intrusions in to the Red Zone of the Parliamentary Estate  Reduce the gap between Budget Workforce Targets and actual strength by half by 31 March 2007  No intrusions in to the protected secure residence of a principal [red and purple zones]</p>		
<p>Activities</p>	<p>Support by the Counter Terrorism Command to members of police senior management teams responsible for the counter terrorism element of Borough Policing Plans</p> <p>Safer Neighbourhood teams to receive a counter terrorism briefing by Counter Terrorism Intelligence Officers within two months of inception (Target 80%)</p>	<p>Develop a plan to assess the needs of Specialist Operations for Information Technology, Human Resources, and Accommodation</p>		

Criminal Networks	Corporate Priority Objectives contributing to the Strategic Outcomes			
	Communities are engaged with, confident in & satisfied with the police	Security is improved & the public feel reassured	Crime, disorder, vulnerability & harm are prevented & reduced	More offenders are brought to justice
Objectives	<ul style="list-style-type: none"> <li>To increase satisfaction with police interventions that disrupt the activities of high priority criminal networks, which impact on communities across London</li> <li>To increase police engagement with communities to aid the disruption of criminal networks</li> </ul>	<ul style="list-style-type: none"> <li>To enhance security of partners or businesses which are targeted by criminal networks</li> <li>To enhance partnership working with organisations which are targeted by criminal networks</li> </ul>	<ul style="list-style-type: none"> <li>To reduce crime through disruption of criminal networks</li> <li>To increase the number of Criminal Networks disrupted</li> <li>To maximise the number of opportunities to identify assets that can be seized from those involved in criminal networks</li> <li>To contribute towards harm reduction in London through the disruption of criminal networks</li> </ul>	<ul style="list-style-type: none"> <li>To maximise the opportunities to bring offenders to justice through actively engaging criminal justice partners</li> <li>To increase the confidence of victims and witnesses in the handling of cases related to Criminal Networks</li> </ul>
Indicators/ Targets	Percentage of citizens who think organised violence between or within criminal groups or gangs is a problem (intend to establish baseline)	<i>Community engagement Indicator to be developed</i>	Number of criminal networks disrupted (Target 100) (Incorporating number of criminal networks engaged in drugs activity disrupted)	The value of assets identified by court order for seizure

	<p>Percentage of citizens who think organised crime is a problem (establish baseline)</p> <p>Percentage of citizens who think gun crime is a problem (establish baseline)</p>		<p><i>Reduce gun enabled crime</i></p> <p><i>SPI 5 e) Life threatening crime and gun crime per 1,000 population. (shared with Safety in Neighbourhoods)</i></p> <p><i>(Target –4% gun crime across the Metropolitan Police Authority area)</i></p> <p>Successful interventions in kidnap offences related to criminal networks investigated by SCD</p>	<p>SPI 8c) Value of cash forfeiture orders and confiscation orders per 1,000 population. (Linked with the value of assets identified by court order for seizure)</p> <p>The number of cases where the assets are restrained or cash seized (Target 200)</p> <p>Achieve gun enabled crime sanction detection rate (Target 25%)</p> <p>Work will be carried out over the year to develop baselines and indicators that will inform the drugs strategy. Particular emphasis will be given to the potential development of indicators based around Prolific and Priority Offenders and to the seizure of proceeds of crime</p>
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<p>Activities</p>	<p>Engage more widely with communities across London who are affected by criminal network activity to help increase our understanding and prevent criminal network activity from occurring</p>	<p>To significantly disrupt the criminal network activity in the most challenged neighbourhoods and look to prevent displacement and re-occurrence</p>	<p>Continue to develop the criminal network prioritisation matrix as the primary intelligence tool for depicting criminal network activity across London</p> <p>Establishing a robust system for linking the prioritisation matrix into the corporate tasking system, particularly with allocation of proactive resources to ensure we are focussing on the highest priority criminal networks</p> <p>Reducing the impact of criminal networks through focusing work on victim, offender and location profiles.</p>	<p>Provide a fast time response to high risk, high threat criminal networks as appropriate</p> <p>Continue to move to a more flexible proactive response to focus enforcement on the highest priority criminal networks</p>
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Capital City Policing	Corporate Priority Objectives contributing to the Strategic Outcomes			
	Communities are engaged with, confident in & satisfied with the police	Security is improved & the public feel reassured	Crime, disorder, vulnerability & harm are prevented & reduced	More offenders are brought to justice
Objectives	<ul style="list-style-type: none"> <li>▪ To ensure the safety of the transport network in London</li> <li>▪ To secure the safety of the 2012 London Olympics</li> <li>▪ To reassure the public that the Metropolitan Police Service is developing appropriate tactics to deal with major incidents or terrorist related activity</li> </ul>	<ul style="list-style-type: none"> <li>▪ To assist organisers in ensuring safety &amp; security at high profile major events.</li> <li>▪ To improve the capability of the firearms response in London</li> <li>▪ To ensure that the establishment of the Metcall service leads to improved citizen focus through enhanced response to requests for police services</li> </ul>	<ul style="list-style-type: none"> <li>▪ To enhance tasking and coordination, including development of a 24/7 365 days a year tasking capability to assist in real time tasking, to ensure transparency, focus and cost effectiveness by deploying specialist resources where they are of most benefit</li> <li>▪ To ensure that the police service has planned for, and is adequately prepared for dealing with emergencies under the Civil Contingencies Act 2004</li> </ul>	<ul style="list-style-type: none"> <li>▪ To ensure Central Operations operational units through effective tasking are working with boroughs and other Operational Command Units to support the Metropolitan Police Service to achieve an increase in the number of offenders brought to justice</li> </ul>
Indicators/ Targets	<p>SPI 1 and SPI 3b for victim satisfaction in relation to traffic accident victims</p> <p>SPI 1a Victim satisfaction with contacting police in relation to traffic accident victims</p>			

	<p>SPI 9a) (i) Number of people killed in under 30 days or seriously injured in road traffic collisions*</p> <p>(ii) per 100 million vehicle km travelled-</p> <p>Customer Satisfaction Surveys to measure:  Passenger Perception of Safety and Security on buses;  Passenger Perception of Safety and Security at bus shelters</p>			
Activities	<p>To Work with partners to enhance safety on London's roads and to develop a service wide consultative group for stakeholders linked to Road Policing issues (e.g. Mayors office, Metropolitan Police Authority RAC, AA, RHA,)</p> <p>To develop the Olympics OCU, ensuring early identification of, and engagement with, stakeholders  To develop a business group led approach to openness in relation to tactics and equipment</p>	<p>To formally identify our various partners in events planning in the Capital</p> <p>To review the feedback from police officers who have attended public orders events to ensure that any areas for improvement that are identified and addressed for future events</p>	To develop high-level capital city performance measures	To increase the amount of assets seized by Clubs and Vice OCU To expand ANPR capability and capacity in support of Safer Neighbourhoods, Counter Terrorism, Security and Protection, and Criminal Networks.

Additional Policing Performance Assessment Frameworks measures delivered within Business Group Priorities:

- Resources Directorate: SPI 12a Delivery of cashable and non-cashable efficiency targets (Target 3%)
- Human Resources: SPI 3e Proportion of police recruits from minority ethnic groups compared to the proportion of people from minority ethnic groups in the economically active population
- 3g Percentage of female police officers compared to the overall force strength
- 13a Average number of working hours lost per annum due to sickness per police officer

13b Average number of working hours lost per annum due to sickness per police staff.



## Savings Identified for 2007/8 - 2008/09

Appendix 3

Saving Details	2007/08 £m	2008/09 £m	2009/10 £m
<b>More effective deployment of operational resources to the front line</b>			
Rationalisation of front-office function in police stations	-9.0	-1.8	0.0
Realignment of how Victim Code requirements are met.	-2.0	0.0	0.0
Rationalisation of the Criminal Justice Unit function.	-2.0	0.0	0.0
Full review of the Met's Capital City role to deliver efficiency savings	-1.8	-2.9	-2.8
Reduction in CO Overtime.	-1.6	0.0	0.0
Rationalisation of Security and Protection Fund and support costs of SOHQ.	-1.2	0.0	0.0
Reduce expenditure on Operation Quadrant.	-0.6	0.0	0.0
Criminal Networks Command - rationalisation and efficiency savings.	-0.4	0.0	-0.0
Major Investigation Teams - work force modernisation within teams.	-0.3	-0.6	0.0
Homicide and Serious Crime rationalisation and efficiency savings	-0.3	-0.6	-0.5
Child Abuse Investigation rationalisation and efficiency savings	-0.2	-0.0	-0.2
Economic and Specialist Crime - rationalisation and efficiency savings.	-0.2	-0.1	0.0
Aviation Security - Reduction of PCSO posts at City Airport and additional DfT funding.	-0.1	0.0	0.0
Met Intelligence Bureau command structure rationalisation and efficiency savings	-0.1	0.0	0.0
	<b>-19.9</b>	<b>-6.1</b>	<b>-3.5</b>
<b>Increased efficiency in support services</b>			
Property: Capitalisation of staff salaries for those engaged on capital projects.	-2.2	0.0	0.0
Rationalisation of support services.	-1.0	-1.0	-1.0
TPHR function to be rationalised and transferring to HR Directorate	-1.0	-1.0	0.0
SC review group - rationalisation of support functions and costs.	-0.9	0.0	0.0
Catering efficiency savings	-0.8	-0.3	-0.3
Rationalisation of training courses, trainers and welfare and career management.	-0.7	-0.2	-0.6
Rationalisation of spans of control within DoI.	-0.7	-0.2	-0.2
Finance efficiency savings	-0.7	-0.5	-0.4
Rationalisation of Strategic Development and Business Support Commands in SCD.	-0.7	0.0	0.0
Procurement efficiency savings	-0.6	-0.1	-0.1
Vehicle Recovery and Examination efficiency savings	-0.5	-0.1	0.0
Rationalisation in HR Strategic and Business Planning, and Business Support.	-0.5	0.0	0.0
Strategy, Modernisation and Performance Directorate - rationalisation of the Corporate functions.	-0.4	0.0	0.0
Transport efficiency savings	-0.4	0.0	0.0
Rationalisation of legal work.	-0.3	0.0	0.0
Diversity & Citizen Focus - rationalisation of Central Team and community sponsorship.	-0.3	0.0	0.0
Strategy, Modernisation and Performance Directorate - rationalisation of projects costs.	-0.3	-0.3	-0.2
Property Services further efficiency savings	-0.3	-0.3	-0.2
Rationalisation of Business Support and mandatory training.	-0.3	0.0	0.0
Closure of NSY Library and rationalisation of other MPS libraries.	-0.2	0.0	0.0
Diversity & Citizen Focus - rationalisation of posts.	-0.2	-0.2	-0.2
SCD12 Business Support rationalisation and efficiency savings	-0.2	0.0	-0.1
Rationalisation of the support function costs in Central Services	-0.2	-0.1	-0.1
Reduced expenditure on MetHR and Medium Term Pay Strategy.	-0.2	0.0	0.0
Commercial Services efficiency savings	-0.1	0.0	0.0
Resources support functions efficiency savings	-0.1	-0.0	-0.0
	<b>-13.6</b>	<b>-4.2</b>	<b>-3.4</b>
<b>Savings in running expenses through improved procurement and efficiency</b>			
Reduced ICT costs secured through negotiation.	-5.7	-1.6	-2.1
Property Services: Buy out part of Private Finance Initiative South East London Stations	-2.0	0.0	0.0
Reduction in overtime, transport and equipment used by Public Order Branch in providing Aid.	-1.6	0.0	0.0
Prioritisation of Infrastructure Programme Group (IPG) Development Costs in support of the capital programme.	-1.6	-1.3	-1.3
Reduce contingency, consultancy, conference and external training budgets in SCD	-1.3	0.0	0.0
Property Services: Reduction in growth of utilities costs	-1.3	0.0	0.0
Rationalise use of temp / external staff and reduced supplies and services	-1.1	-1.2	-0.6
Reduction of overtime and supplies and services	-1.1	-0.9	-0.9
Reduce advertising / marketing budgets for recruitment.	-1.0	-0.3	0.0
Further efficiency savings in SCD	-0.6	-1.0	-1.0
Vehicle Fleet Savings in SCD	-0.6	0.0	0.0
Forensics - savings in police staff overtime, equipment, transport and other running costs.	-0.4	-0.1	-0.1
Rationalisation of Commissioner's Leadership Programme course.	-0.2	-0.1	0.0
Rationalise the publication frequency of The Job.	-0.1	0.0	0.0
Reduction in maintenance and support to legacy systems within DoI.	-0.1	0.0	0.0
	<b>-18.8</b>	<b>-6.5</b>	<b>-6.0</b>
<b>Income Generation</b>			
Inflation for SO specific grant to be provided by HO	-4.5	0.0	0.0
Leasing of custody cells to Immigration Service.	-2.4	0.0	2.4
Stolen Vehicle Unit - increased external funding from the vehicle industry/insurance community	-0.7	0.0	0.0
Additional external funding	-0.3	-0.1	-0.1
	<b>-7.9</b>	<b>-0.1</b>	<b>2.3</b>
<b>Corporate efficiency savings</b>			
Corporate efficiency savings	-5.0	0.0	0.0
	<b>-5.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total additional savings identified in Business Group business plans and corporately</b>	<b>-65.1</b>	<b>-17.0</b>	<b>-10.6</b>

## **Appendix 4 – Stakeholder consultation on the business plan 2007/08**

As part of the business planning process, and as required by the budget guidance issued by the Mayor, the MPA has consulted with key stakeholders on the 2007/08 submission. A letter was sent in October seeking ideas on where savings could be made and requesting feedback on the seven strategic priorities identified in the Policing London Strategy. A summary of the key points are below

### *Environmental Agency*

The Environmental Agency welcomed the opportunity to comment, particularly at a time when they are increasingly concerned about the level and nature of environmental crime in London. They made comments on a number of the corporate priorities as detailed below:-

**Criminal Networks** - the Agency is concerned about the level of illegal disposal of waste in London. They feel this offers an attractive opportunity for career criminals due to the low risk of detection and relatively lenient punishments versus high profits. Therefore they feel it would be preferable for the Agency to undertake joint investigations with police and local authorities so that all offences are recognised.

**Capital City Policing** - the Agency are concerned that the scale and pace of construction provides significant opportunities for criminals involved in the illegal disposal of demolition and construction waste. They feel police need to be able to refer information to the Agency if environmental offences occur. Investigations undertaken by the Agency have revealed offences outside their terms of reference and they therefore feel it is essential to have in place an effective means of passing this information onto the Police.

**Safer Neighbourhoods** - the Agency welcome the development of neighbourhood policing in London as Environmental crime, in particular, fly tipping is a significant concern to London residents. The Agency are keen to work in partnership with local authorities on this.

**Information sharing** - the Agency are intending to appoint an intelligence officer in each Environmental crime team to act as a single point of contact and to oversee sharing of information with the police and other authorities, They agree with the importance of information and intelligence. The Agency wish to have an input to the Crime and Disorder Partnerships as they feel these are a good way of getting environmental crime on the agenda and promoting data sharing.

### *The Federation of Small Businesses*

The Federation of Small Businesses do not feel it is appropriate for them to comment where savings in the police budget should be made, but believe that front line policing activities shouldn't be compromised because of budget constraints caused by the threat of terrorism and the additional security measures. They are strongly opposed to any budget reductions which would impact on the ability of small businesses to trade or reduce police ability to

identify and secure convictions against those who commit crime against a business, its premises or its staff.

The Federation refer to their "Lifting the Barriers" survey, undertaken initially in 2004, with a follow up survey in 2006. The survey indicated that 54% of business respondents had suffered from criminal activity, and that 35% of business crimes were not reported to the police. Business owners believe that the most effective methods of reducing crimes against themselves are faster police response, more visible police presence and tougher sentences. In light of the survey findings the Federation have nationally pressed for crime against business to be made a key performance indicator for the police.

The Federation feel that business crime is given a low policing priority which in turn leads to low clear up rates, the perception of lack of interest by the police in business crime and disillusionment with the policing system by business owners. The Federation will view with interest whether the savings proposals will result in a reduction in the service provided to businesses. Finally they feel London's business community cannot afford any reduction in the services provided to businesses as the wellbeing of owners and the jobs of their employees are threatened by the diversion of budgets from community policing and crime detection or removal from the budget altogether.

#### *London Borough of Hillingdon*

The Council feel it is difficult to disagree on the seven strategic priorities as they are clearly important to Londoners. They have made comments on a number of the corporate priorities as detailed below:-

**Safer Neighbourhoods** – The Council strongly supports the full funding of Safer Neighbourhood teams and believes this should not be at the expense of other parts of the police service. They feel the public were given the impression that the roll out of teams would involve totally new resources, and there was little appreciation of the savings that would need to be made by local divisions. The Council has allocated nearly £300,000 in the current year to cover the shortfall to enable the retention of Safer Schools Officers and other posts that might have been lost. This is in addition to funding of the Police Anti Social Behaviour Team. Whilst strongly committed to supporting Hillingdon Police they feel there is a limit to what local people can be asked to pay in addition to the sums paid to the MPA via the precept.

Secondly whilst supporting the idea of a minimum entitlement of Safer Neighbourhood officers for each ward, they feel there is a good argument for some wards having more, for example town centres. They also feel that the Brunel Ward that includes the University, and Heathrow Villages Ward that includes the Harmonsworth and Colnbrook Immigration Detention Centre are special cases for additional officers. This however should not be at the expense of other parts of the Borough.

**Metcall** – There is growing concern locally about the overall resources being provided to the Borough Commander to deal with the increasing demands brought about by the introduction of the Metcall telephone system. In the first

month of Hillingdon's connection to the system going live, the number of calls increased by 30% compared to last year. They feel the local police cannot be expected to meet the increase in demand and that therefore the public's perception of an improved service is in danger of being harmed. They understand that action is being taken to manage the demand but feel there is still going to be a need for additional resources. They therefore look to the MPA to take this into account in the budget submission.

Savings – the Council have identified a number of areas where they feel there is scope for economies these are as follows:-

- Procurement – This is felt to have offer potential given the MPS is a large purchaser of goods
- Joint activities with local authorities – examples that have been explored in the past but have not come to fruition are shared premises and provision of local interpreting and translation services
- Delegation of budgets to Borough Commanders – the Council feel the implementation of joint arrangements with local authorities is dependent on further delegation of budgets to Borough Commanders
- Review of estate – The Council feels a pro-active partnership with the private sector could produce significant capital receipts.
- Civilianisation – The Council feel this is not being given the level of prominence that it has in the past and that the potential to save money through transferring functions to support staff appears high. They also feel that the number of support staff in each Borough should be related to the Resource Allocation Formula, an increase in the numbers of police officers should be accompanied by an increase in support staff.
- Integrated Borough Operation Units (IBOs) – The Council feel enormous resources have been spent on establishing IBOs when the C3i project was meant to lead to savings. The Council are of the view that Hillingdon IBO has taken a significant number of officers away from other duties and suggest there is need for a review of IBO staffing.

#### *London Councils*

The London Councils have made the following comments:-

- There is a clear wish to see front line policing protected from budget reductions
- There is clear support for the continued roll out of Safer Neighbourhoods
- They recommend that the MPS focus on its support costs budget to deliver "Gershon" efficiencies
- They suggest that better integration of IT systems could yield savings
- They wish to see increasing civilianisation in appropriate cases
- They call for better information on the current budget and accounts to allow comparisons of unit costs across the whole of London.

#### *Camden Community Safety Partnership*

The Camden Community Safety Partnership support the priorities outlined in the consultation document and have commented specifically on each priority as detailed below:-

Safer Neighbourhoods – The Partnership welcomes the roll out of Safer Neighbourhood Teams (SNTs). However they have experienced some issues in terms of the consistency of panels across boroughs and feel there isn't a coherent strategy in place to support the establishment of the panels. They also feel there is a lack of clarity about the role of ward councillors in relation to safer neighbourhoods. Some panels allow councillors to attend whilst others don't. Camden Police have responded to the concerns and appointed a Problem Solving Co-ordinator within its partnership unit to improve consistency. The Partnership welcomes this move.

The Partnership welcome the fact that additional funding is being provided in the 2007/08 budget for the full year costs of rolling out the programme, but would like the MPA to consider the true cost of rolling out SNTs. Camden Council has provided funding in 2006/07 towards the Safer Neighbourhoods programme but cannot guarantee funding in the long term. They feel the MPS must fully resource the support and analytical functions of the safer neighbourhoods programme, and ask the MPA to review the funding provided by Camden incorporating the costs into the SNT budgets for 2007/08.

Counter Terrorism – The Partnerships welcomes the focus on counter terrorism and believe it is sensible to link some of the activities of SNTs in order to improve community intelligence sharing. They are however aware of the damage that can be caused to BME and other diverse communities if they are neither sufficiently consulted nor involved. They feel that at the moment BME and other diverse groups are not sufficiently represented and would welcome moves to address this issue.

The partnership would also like to ensure that any counter terrorism work fully includes the engagement of BME groups and that this is incorporated into any counter terrorism activities required of the SNTs. They would also welcome appreciation of the true threat to boroughs such as Camden which is not fully taken in to account in the resources allocation formula.

Criminal Networks – The partnership welcomes this priority and hope the MPS make headway in reducing the harm that these can cause throughout London.

Capital City Policing – The partnership again welcome this priority. Camden is a leading player in ensuring the success of the Olympic vision and the Partnership would like some reassurance and appreciation of the extent to which central London boroughs will be involved.

Citizen Focus – The Partnership welcome this priority, but would welcome further information about how exactly the MPA and MPS will listen and respond to citizen's needs and engage and communicate with all communities. They note the establishment of Youth Safer Neighbourhood Panels in Camden, which they feel is a step forwards, and whilst acknowledging their introduction will provide challenges they are of the view these are challenges they look forward to working on with the police. The Partnership would welcome involvement in this area of work building on Camden Council's expertise of working with diverse communities.

Together – The Partnership welcome this priority but would like there to be further training in how frontline police officers deal with the public in order to build confidence in the police, particularly amongst diverse groups.

Information Quality and Access – The Partnership are of the view that intelligence and data functions are not currently adequately resourced and would like to see an increase in resources to enable intelligence-led policing for all functions.

The Partnership welcomes the commitment to changing the way the police manages information and to ensuring that information and intelligence systems “speak to each other”. They would also like non-police systems to be able to speak to police systems, with the process for agreeing information sharing agreements with the police made easier.

Camden Council has formed the Partnership Information Unit with Camden Police Station, with analysts from the Council working alongside analysts from the Police Partnership Unit, and are looking to expand these current arrangements by investing a substantial amount in an information exchange system in 2007/08. The Partnership would like to engage further with the MPA and MPS over their plans for enhanced information systems they plan to develop and their funding.

Savings – the Partnership would welcome better co-ordination between the government agencies. Several forums exist within the agencies and there does not appear to be any one agency that brings together practitioners to deal with all crime areas. They welcome attempts to bring boroughs together to discuss best practice but feel it can at times seem disjointed, leading to extra work as councils and partners report back to a plethora of groups, some with overlapping aims and objectives.

The Partnership welcomes the joint performance measures outlined in the Local Government White Paper (Strong and Prosperous Communities). This should enable better co-ordination of work on performance management as aims and objectives of various agencies are synchronised. They would welcome some clear guidelines over the role of Community and Police Consultative Groups and the projects they are asked to establish.

In terms of policing the partnership welcomes the investment in frontline officers and are aware of the recruitment drive currently taking place to appoint more Police Community Support Officers. However they would like to highlight the fact the their communities feel very strongly that the MPS should be employing more Police Constables. Police Community Support Officers should not be seen as a cheap alternative to fully fledged police officers with enforcement powers.

Finally the partnership ask that the MPA and MPS employ more civilian workers to undertake the more administrative elements of the policing role, freeing up police officers to work more on the frontline.

### *Capital Transport Campaign*

The Capital Transport Campaign would oppose any reduction in front line services, including the policing of motoring offences. They would like to see officers “on the beat” using public transport as far as is possible.

### *National Federation of Retail Newsagents*

The National Federation of Retail Newsagents have set out their initial thoughts which are as follows:-

- Reduce crime
- Improve communication channels
- Enhance relationships between police, businesses and communities
- Improve relationships between police and victims of business crime
- Make business crime a police KPI and a crime reporting category
- Define a template for reporting business crime
- Encourage the police to actively support retail submissions to government concerning the business crime reduction initiatives and prevention of business crime through enhanced security provisions.

Retail crime is a major concern to the federation’s members, with over 28% reporting to have been a victim of crime in the last 12 months, and over 5% citing crime as being the most influencing factor that will make them to decide to close their business. They feel that what is vitally important to the on going vitality and success of communities is that they have a safe environment for people to live and businesses to operate.

### *London Older Peoples Strategies Groups*

The London Older People’s Strategies Group fully support the seven strategic priorities, but feel the desired savings would counteract these. They feel that where other public bodies have had savings forced through there has been a deterioration in the level of service. They do not want this to happen to the Police service and therefore cannot make any suggestions on savings.

### *London TravelWatch*

London TravelWatch note and support the seven strategic priorities. They comment that the costs of the Transport OCU are recharged to Transport for London and should therefore be ringfenced. They also comment that the decriminalisation of parking and some moving traffic offences and the move to enforcement by parking attendants and/or cameras rather than police officers and traffic wardens should have reduced the pressure of traffic policing on the MPA budget. Therefore if this has allowed budget economies in this area, they feel it is reasonable that equivalent contributions should be sought from other areas of the MPS’s work.

## Draft Capital Programme 2007/08 to 2009/10

<b>Expenditure</b>						
	Approved on 21/09/2006 *	latest bid	Approved on 21/09/2006	latest bid	Approved on 21/09/2006	latest bid
	2007/08 £000	2007/08 £000	2008/09 £000	2008/09 £000	2009/10 £000	2009/10 £000
<b>Property Based Programmes</b>	65,288	65,008	71,775	76,075	118,275	114,675
<b>Information Based Programmes (excluding C3i)</b>	59,862	49,425	60,782	66,782	42,340	48,340
<b>Transport Based Expenditure</b>	22,761	22,760	20,395	20,394	17,065	17,065
<b>Other Plant &amp; Equipment Expenditure</b>	300	1,300	300	300	300	300
<b>Total - excluding C3i and SNTs</b>	<b>148,211</b>	<b>138,493</b>	<b>153,252</b>	<b>163,551</b>	<b>177,980</b>	<b>180,380</b>
<b>C3i Programme</b>	11,960	15,355	0	0	0	0
<b>Safer Neighbourhoods Programme</b>	20,350	27,350	17,700	17,700	0	0
<b>Grand Total - Projects</b>	<b>180,521</b>	<b>181,198</b>	<b>170,952</b>	<b>181,251</b>	<b>177,980</b>	<b>180,380</b>
<b>Funding</b>						
	Approved on 21/09/2006	latest bid	Approved on 21/09/2006	latest bid	Approved on 21/09/2006	latest bid
	2007/08 £000	2007/08 £000	2008/09 £000	2008/09 £000	2009/10 £000	2009/10 £000
<b>Police Capital Grant</b>	25,338	25,338	35,856	35,856	35,856	35,856
<b>Air Support Grant</b>	0	400	0	0	0	0
<b>Other Capital Grants &amp; Third Party Contributions</b>	2,519	2,519	2,519	2,519	2,519	2,519
<b>Borrowing</b>	37,948	33,330	20,540	34,839	42,541	39,941
<b>Capital Receipts</b>	78,993	71,993	91,783	84,783	94,510	99,510
<b>Usable Capital Reserves</b>	859	2,359	0	3,000	0	0
<b>Other</b>	2,554	2,554	2,554	2,554	2,554	2,554
<b>Total - Funding of Business Groups</b>	<b>148,211</b>	<b>138,493</b>	<b>153,252</b>	<b>163,551</b>	<b>177,980</b>	<b>180,380</b>
<b>C3i Programme - Earmarked Capital Reserves</b>	9,560	12,955	0	0	0	0
<b>Third Party Contributions</b>	2,400	2,400	0	0	0	0
<b>Unsupported Borrowing Safer Neighbourhoods</b>	20,350	27,350	17,700	17,700	0	0
<b>Total Funding - Projects</b>	<b>180,521</b>	<b>181,198</b>	<b>170,952</b>	<b>181,251</b>	<b>177,980</b>	<b>180,380</b>

Note:

\* Approved at Investment Board 19/09/06



## Property Based Programmes: Draft Capital Programme 2007/08 to 2009/10

MAIN PROGRAMME PROJECTS	Start Year	Approved on	latest	Approved on	latest	Approved on	latest
		21/09/2006	bid	21/09/2006	bid	21/09/2006	bid
		2007/08	2007/08	2008/09	2008/09	2009/10	2009/10
		£000	£000	£000	£000	£000	£000
Utilisation works	2004/05	1,000	1,000	2,000	2,000	2,000	2,000
Operational Support	2004/05	500	500	500	500	500	500
Building works in support of operational requirements							
Central office refits - CP programme	2004/05	2,000	2,000	2,000	2,000	2,000	2,000
Minor Projects & feasibility studies	2004/05	3,000	3,000	3,000	3,000	3,000	3,000
Minor works - small accommodation projects Met-wide							
IBO programme & CAD Room strip outs / refits	2004/05	750	2,509	0	0	0	0
Provision of integrated borough operations rooms for use in conjunction with C3i							
Patrol Bases (inc Priestley Way)	2004/05	21,900	9,900	30,400	15,200	13,600	20,000
Part of Estate Strategy for BOCUs							
<b>Total 2004/05 Starts</b>		<b>29,150</b>	<b>18,909</b>	<b>37,900</b>	<b>22,700</b>	<b>21,100</b>	<b>27,500</b>
Custody Centre	2005/06	14,700	8,000	15,500	26,000	79,200	41,000
Development of new cell facilities as part of Estate Strategy for BOCUs & CTC							
Capitalisation of Works	2005/06	5,513	4,226	6,000	6,000	6,000	6,000
Building enhancements							
Stamp Duty	2005/06	1,000	1,000	1,000	1,000	1,000	1,000
Capitalisation of stamp duty payable on purchases							
<b>Total 2005/06 Starts</b>		<b>21,213</b>	<b>13,226</b>	<b>22,500</b>	<b>33,000</b>	<b>86,200</b>	<b>48,000</b>
New Priority CO Accommodation	2006/07	1,000	5,000	1,000	16,500	1,000	23,500
CO accommodation requirements/enhancements							
New Priority SC Accommodation	2006/07	1,000	1,000	1,000	1,000	1,000	1,000
Specialist Crime Directorate accommodation requirements/enhancements							
Data Centres	2006/07	3,500	2,000	0	8,000	0	12,000
Data processing centres							
Thames Gateway	2006/07	2,000	2,000	2,000	2,000	5,000	5,000
Propety needs to support policing within regenerated area covered by Thames Gateway area of London							
<b>Total 2006/07 Starts</b>		<b>7,500</b>	<b>10,000</b>	<b>4,000</b>	<b>27,500</b>	<b>7,000</b>	<b>41,500</b>
Canon Row, Wood Green, Lillie Road & Waltham House & TP HQ	2007/08	3,000	3,998	3,000	3,000	0	0
Refurbishment of accommodation							
Local Offices/Bases	2007/08	4,050	1,800	4,000	1,800	3,600	3,600
Part of Estate Strategy for BOCUs							
Sustainable Development	2007/08	375	375	375	375	375	375
Rolling Energy Efficiency fund							
Cobalt Square	2007/08	0	5,000	0	3,000	0	0
CO Accommodation requirements	2007/08	0	6,500	0	15,500	0	22,500
Hendon Operational Facilities	2007/08	0	1,000	0	4,000	0	4,000
Central London Operational Facilities	2007/08	0	2,000	0	8,000	0	10,000
<b>Total 2007/08 Starts</b>		<b>7,425</b>	<b>20,673</b>	<b>7,375</b>	<b>35,675</b>	<b>3,975</b>	<b>40,475</b>
Heathrow Operational Facilities	2008/09	0	0	0	6,000	0	7,000
SCD Offices & Witness Suites	2008/09	0	0	0	7,000	0	7,000
SCD Forensic Operational Facilities	2008/09	0	0	0	3,000	0	8,000
VRES	2008/09	0	0	0	5,000	0	0
Dol Operational Facilities	2008/09	0	0	0	4,000	0	3,000
<b>Total 2008/09 Starts</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>
<b>Property Programmes</b>							
Total expenditure for schemes commencing in	2004/05	29,150	18,909	37,900	22,700	21,100	27,500
Total expenditure for schemes commencing in	2005/06	21,213	13,226	22,500	33,000	86,200	48,000
Total expenditure for schemes commencing in	2006/07	7,500	10,000	4,000	27,500	7,000	41,500
Total expenditure for schemes commencing in	2007/08	7,425	20,673	7,375	35,675	3,975	40,475
Total expenditure for schemes commencing in	2008/09	0	0	0	25,000	0	25,000
<b>Total Schemes</b>		<b>65,288</b>	<b>62,808</b>	<b>71,775</b>	<b>143,875</b>	<b>118,275</b>	<b>182,475</b>
Capitalisation of Internal Staff Costs (amalgamation)		0	2,200	0	2,200	0	2,200
Projects requiring further scrutiny and capacity / affordability assessment					-70,000		-70,000
<b>Grand Total</b>		<b>65,288</b>	<b>65,008</b>	<b>71,775</b>	<b>76,075</b>	<b>118,275</b>	<b>114,675</b>

## Information Based Programmes: Medium Term Capital Plan 2007/08 - 2009/10

MAIN PROGRAMME PROJECTS	Start Year	Approved on	latest	Approved on	latest	Approved on	latest
		21/09/2006	bid	21/09/2006	bid	21/09/2006	bid
		2007/08	2007/08	2008/09	2008/09	2009/10	2009/10
		£000	£000	£000	£000	£000	£000
<b>Existing Programme</b>							
<b>Command and Control Workstream</b>							
MetTime		8,000	8,000	6,000	6,000	6,000	6,000
CAD Enhancements		970	970	850	850	780	780
<b>Crime &amp; CJ - Workstream</b>							
Forensic case management (Metafor)	2003/04	1,042	1,042	932	932	0	0
NSPIS Case and Custody	2001/02	320	320	0	0	0	0
<b>Infrastructure - Workstream</b>							
CCI/ Business Architecture - Integration		1,000	1,000	1,000	1,000	1,000	1,000
Application Hosting (Hardware to run new solution)		2,000	2,000	2,000	2,000	2,000	2,000
Real Time Communications		5,000	5,000	5,000	5,000	0	0
Infrastructure support SDG (prev: Technology Refresh)		10,000	10,000	10,000	10,000	10,000	10,000
<b>Intelligence - Workstream</b>							
Criminal Intelligence (Crimint Plus)		2,000	2,000	2,000	2,000	0	0
Corporate Data Warehouse		4,400	4,400	2,880	2,880	2,000	2,000
<b>Professional Specialist System - Workstream</b>							
HR Interface to NCALT		75	75	50	50	25	25
Electronic Documents Record Management and workflow		700	700	2,600	2,600	3,700	3,700
MetMIS		250	250	120	120	120	120
Management Dashboard		30	30	0	0	0	0
Finance Systems		675	675	325	325	100	100
Central Property Store		200	200	0	0	0	0
Document Management (LFME)		0	0	250	250	0	0
		<b>36,662</b>	<b>36,662</b>	<b>34,007</b>	<b>34,007</b>	<b>25,725</b>	<b>25,725</b>
<b>Projects Awaiting Endorsement</b>							
<b>Intelligence - Workstream</b>							
MIB - Intel Applications Refresh		500	500	500	500	500	500
FTAC -Fixeded Threat AC		290	290	0	0	0	0
I2 Assessment		200	200	0	0	0	0
INI - Crimint Data Extract		100	100	0	0	0	0
Information Quality Projects		250	250	250	250	250	250
Contingency (IMPACT \ MOPI)		250	250	500	500	500	500
Mapping		500	500	500	500	250	250
PINS - Prison Intelligence System		120	120	0	0	0	0
Contingency		0	0	800	800	1,200	1,200
<b>Infrastructure - Workstream</b>							
Mobile Data Technology		4000	4,000	6,000	6,000	500	500
RTC ADDITIONAL		2000	2,000	1,000	1,000	0	0
Securities Projects		2000	2,000	2,000	2,000	1,000	1,000
Directory Rationalisation		0	0	2,000	2,000	2,000	2,000
OTSU secure system capital		0	2,000	0	2,000	0	2,000
PDA Roll Out		1500	1,500	2,600	2,600	0	0
Technology Group Requirements		460	460	70	70	70	70
<b>Crime &amp; CJ - Workstream</b>							
TRIS Enhancements		300	300	0	0	0	0
Mobility CRIS/TRIS		1000	1,000	1,000	1,000	0	0
Data Into CDW		500	500	1,000	1,000	0	0
CRIS Replacement		0	0	500	500	1,000	1,000
MERLIN		0	0	1,000	1,000	300	300

MAIN PROGRAMME PROJECTS	Start Year	Approved on	latest	Approved on	latest	Approved on	latest
		21/09/2006	bid	21/09/2006	bid	21/09/2006	bid
		2007/08 £000	2007/08 £000	2008/09 £000	2008/09 £000	2009/10 £000	2009/10 £000
<b>Command and Control Workstream</b>							
Met Ops Enhancements		175	175	75	75	0	0
Alarm management		225	225	125	125	0	0
Met Ops Replacement		750	750	940	940	860	860
Cad replacement		1025	1,025	1,145	1,145	5,130	5,130
ARMM (Tasking)		1550	1,550	0	0	0	0
Management information		100	100	225	225	0	0
GIS/GAZ (command and cont)		420	420	530	530	150	150
<b>Professional Specialist System - Workstream</b>							
MPS ERP Strategy Portal		600	600	500	500	0	0
MPS ERP Strategy Other		250	250	350	350	350	350
Space Occupancy		50	50	0	0	0	0
MI Rollout for Property Services		0	0	250	250	0	0
ASP (Hosted Internet Applications )		150	150	0	0	0	0
Non MDT Mileage		170	170	0	0	0	0
Transport IT Refresh		0	0	100	100	300	300
VRES Rollout		100	100	100	100	0	0
Catering MI/EPOS		0	0	500	500	0	0
Integrated Project Systems module		0	0	50	50	0	0
ERP integration		0	0	50	50	500	500
HR MIS Functionality		0	0	200	200	0	0
Consultancy Management Budget		150	150	125	125	100	100
Oracle Licenses		20	20	20	20	10	10
Enhancements to Rich Functionality - MetHR		150	150	150	150	150	150
Interface to MetAir - MetHR		50	50	0	0	0	0
Interface to other ERP Applications		100	100	50	50	25	25
I-Recruitment - MetHR		100	100	0	0	0	0
Metstats		40	40	20	20	20	20
SPSS Survey Upgrade		30	30	0	0	0	0
Performance management strategic development		400	400	250	250	250	250
Upgrade of Giz/Gaz to enable replacement of Mapinfo		250	250	0	0	0	0
GIZ/GAZ Metadata		165	165	100	100	0	0
Data Mining Capability		165	165	0	0	0	0
Data Quality Upgrades		200	200	200	200	200	200
Data Quality Compliance Environment		30	30	0	0	0	0
Validation of MetHR Data		60	60	0	0	0	0
Directory Data Validation		45	45	0	0	0	0
Additional Records Management Functionality		250	250	0	0	0	0
MetRIC		160	160	0	0	0	0
MPS Accident claims database		300	300	0	0	0	0
<b>Support Function Workstream</b>							
Tactical response		1000	1,000	1,000	1,000	1,000	1,000
<b>Metropolitan Police Authority</b>							
Metropolitan Police Authority IT & telephony upgrade		0	425	0	0	0	0
		<b>23,200</b>	<b>25,625</b>	<b>26,775</b>	<b>28,775</b>	<b>16,615</b>	<b>18,615</b>
Existing Programme		36,662	36,662	34,007	34,007	25,725	25,725
Suggested Programme (Awaiting Endorsement)		23,200	25,625	26,775	28,775	16,615	18,615
<b>Total</b>		<b>59,862</b>	<b>62,287</b>	<b>60,782</b>	<b>62,782</b>	<b>42,340</b>	<b>44,340</b>
Capitalisation of Internal Staff Costs (amalgamation)			4,000		4,000		4,000
Awaits Allocation/Contingency Projects requiring further scrutiny and capacity / affordability assessment			-16,862				
<b>Grand Total</b>		<b>59,862</b>	<b>49,425</b>	<b>60,782</b>	<b>66,782</b>	<b>42,340</b>	<b>48,340</b>

## Transport Projects: Medium Term Capital Plan 2007/08 to 2009/10

MAIN PROGRAMME PROJECTS	Approved on	latest	Approved on	latest	Approved on	latest
	21/09/2006	bid	21/09/2006	bid	21/09/2006	bid
	2007/08 £000	2007/08 £000	2008/09 £000	2008/09 £000	2009/10 £000	2009/10 £000
Cars (Main Fleet Replacement Programme (MRP))	13,125	13,125	11,500	11,500	8,938	8,938
Vans and Commercial Vehicles (MRP)						
Motorcycles (MRP)						
Equipping Fleet for Operational Service (incl Covert) (MRP)	5,000	5,000	3,675	3,675	4,000	4,000
Boats	200	200	200	200	200	200
<i>Items subject to funding separate from the main programme</i>						
Replacement/Purchase of externally funded vehicles - SCD	720	720	960	960	0	0
Replacement of externally funded Safer Streets vehicles	18	18	362	362	230	230
Replacement/Purchase of externally funded vehicles - Transport for London	2028	2,028	2028	2,028	2,028	2,028
Replacement/Purchase of externally funded vehicles - Counter-Terrorism	491	491	491	491	491	491
Replacement/Purchase of externally funded vehicles - Royal Parks	25	25	25	25	25	25
Replacement/Purchase of externally funded vehicles - Partnership	328	328	328	328	328	328
Replacement/Purchase of externally funded vehicles - Child Protection	143	143	143	143	143	143
Replacement/Purchase of externally funded vehicles - Comm against drugs	113	113	113	113	113	113
Replacement/Purchase of externally funded vehicles - Donated vehicles	326	326	326	326	326	326
Replacement/Purchase of externally funded vehicles - Forfeiture vehicles	55	55	55	55	55	55
Replacement/Purchase of externally funded vehicles - MMD & Op Maxim	99	99	99	99	99	99
Replacement/Purchase of externally funded vehicles - PCSO	68	68	68	68	68	68
Replacement/Purchase of externally funded vehicles - VRT	22	22	22	22	22	22
<b>Grand Total</b>	<b>22,761</b>	<b>22,760</b>	<b>20,395</b>	<b>20,394</b>	<b>17,065</b>	<b>17,065</b>

## Plant and Equipment Projects: Medium Term Capital Plan 2007/08 to 2009/10

MAIN PROGRAMME PROJECTS	Approved on	latest	Approved on	latest	Approved on	latest
	21/09/2006	bid	21/09/2006	bid	21/09/2006	bid
	2007/08	2007/08	2008/09	2008/09	2009/10	2009/10
	£000	£000	£000	£000	£000	£000
Photographic Equipment	222	222	222	222	222	222
Catering Equipment	60	60	60	60	60	60
Alcohol Level Testing Equipment	8	8	8	8	8	8
Office Plant and Machinery	10	10	10	10	10	10
Aircraft & Support Equipment MF000006	0	1,000	0	0	0	0
<b>Grand Total</b>	<b>300</b>	<b>1,300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>

## C3i Programme: Medium Term Capital Plan 2007/08 to 2009/10

C3i PROJECTS	Approved on	latest	Approved on	latest	Approved on	latest
	21/09/2006	bid	21/09/2006	bid	21/09/2006	bid
	2007/08	2007/08	2008/09	2008/09	2009/10	2009/10
	£000	£000	£000	£000	£000	£000
MetCall Hendon - Building Works	0	0	0	0	0	0
MetCall Lambeth - Building Works	0	0	0	0	0	0
MetCall Bow - Building Works	0	0	0	0	0	0
MetCall C3i Technology and consultancy	4,675	4,789	0	0	0	0
<b>Sub Total</b>	<b>4,675</b>	<b>4,789</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Airwave	7,285	8,166	0	0	0	0
Heathrow Special Schemes	0	2,400	0	0	0	0
<b>Sub Total</b>	<b>7,285</b>	<b>10,566</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>11,960</b>	<b>15,355</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Safer Neighbourhoods: Medium Term Capital Plan 2007/08 to 2009/10

## Capital Costs Associated with Phase 1 of Programme

	Approved on 21/09/2006 2007/08 £000	latest bid 2007/08 £000	Approved on 21/09/2006 2008/09 £000	latest bid 2008/09 £000	Approved on 21/09/2006 2009/10 £000	latest bid 2009/10 £000
<b>Information &amp; Communication Technology</b>						
C3i/Metcall	0	0	0	0	0	0
Handheld MDTs	0	0	0	0	0	0
Corporate Infrastructure	276	276	0	0	0	0
<b>Total Phase 1</b>	<b>276</b>	<b>276</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Capital Costs Associated with Phase 2 of Programme

	Approved on 21/09/2006 2007/08 £000	latest bid 2007/08 £000	Approved on 21/09/2006 2008/09 £000	latest bid 2008/09 £000	Approved on 21/09/2006 2009/10 £000	latest bid 2009/10 £000
<b>Property</b>						
New Build	0	0	0	0	0	0
Newly Leased	0	0	0	0	0	0
Adaptations to existing Accom	0	0	0	0	0	0
<b>Sub Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Information &amp; Communication Technology</b>						
Handheld MDTs	0	0	0	0	0	0
<b>Sub Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Phase 2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Capital Costs Associated with Full Rollout of Programme

	Approved on 21/09/2006 2007/08 £000	latest bid 2007/08 £000	Approved on 21/09/2006 2008/09 £000	latest bid 2008/09 £000	Approved on 21/09/2006 2009/10 £000	latest bid 2009/10 £000
<b>Transport</b>						
	265	265	0	0	0	0
<b>Sub Total</b>	<b>265</b>	<b>265</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Property</b>						
	14,469	21,469	17,700	17,700	0	0
<b>Sub Total</b>	<b>14,469</b>	<b>21,469</b>	<b>17,700</b>	<b>17,700</b>	<b>0</b>	<b>0</b>
<b>Information &amp; Communication Technology</b>						
	5,340	5,340	0	0	0	0
<b>Sub Total</b>	<b>5,340</b>	<b>5,340</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Phase 3</b>	<b>20,074</b>	<b>27,074</b>	<b>17,700</b>	<b>17,700</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>20,350</b>	<b>27,350</b>	<b>17,700</b>	<b>17,700</b>	<b>0</b>	<b>0</b>

## Prudential Indicators for the Metropolitan Police Authority

### Affordability Indicators

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

2006/07 Estimate	2007/08 Estimate	2008/09 Estimate	2009/10 Estimate
0.47%	0.53%	0.30%	0.32%

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 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. The continuation of government support to existing debt commitments is therefore crucial in understanding the affordability, prudence and sustainability of our borrowing policy. It is anticipated that similar support as at present will occur. This indicator assumes the authority adopts the budget submissions in the present report.

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

2006/07 Estimate	2007/08 Estimate	2008/09 Estimate	2009/10 Estimate
£1.04	(£0.04)	£0.23	£0.00

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 debt charges on unsupported borrowing, loss of interest on capital receipts used to finance new investment decisions, debt charges on new investment decisions involving supported borrowing reflecting the proportion of precept to budget requirement (reflecting the general non-government grant supported element of investment spending).

### 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"

Net borrowing and the capital financing requirement
The Treasurer reports that the authority had no difficulty meeting this requirement in 2005/06, nor are there any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this budget report.

### Capital Expenditure Indicators

4. Capital Expenditure

2005/06 Actual £000	2006/07 Estimate £000	2007/08 Estimate £000	2008/09 Estimate £000	2009/10 Estimate £000
231,780	245,377	181,198	181,251	180,380



This indicator states the total capital spend covering all capital expenditure, not just that financed by borrowing.

#### 5. Capital financing requirement (at start of financial year)

2005/06 Actual £000	2006/07 Estimate £000	2007/08 Estimate £000	2008/09 Estimate £000	2009/10 Estimate £000
214,741	303,212	392,937	437,899	472,922

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose. The Authority chooses not to associate borrowing with 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 purpose.

### External Debt Indicators

#### 6. Authorised Limit for External Debt

	2006/07 Original £000	2006/07 Revised £000	2007/08 Estimate £000	2008/09 Estimate £000	2009/10 Estimate £000
<b>Borrowing</b>	186,500	207,647	156,171	144,740	95,866
Other long Term liabilities	-	-	-	-	-
<b>Total</b>	<b>186,500</b>	<b>207,647</b>	<b>156,171</b>	<b>144,740</b>	<b>95,866</b>

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 likely, 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.

#### 7. Operational Boundary for External Debt.

	2006/07 Original £000	2006/07 Revised £000	2007/08 Estimate £000	2008/09 Estimate £000	2009/10 Estimate £000
<b>Borrowing</b>	162,174	180,563	135,801	125,861	83,362
Other long Term liabilities	-	-	-	-	-
<b>Total</b>	<b>162,174</b>	<b>180,563</b>	<b>135,801</b>	<b>125,861</b>	<b>83,362</b>

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 likely, 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.

## 8. Actual External Debt

Actual External Debt
2006/07 Actual £000
70,838

## 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			
	2006/07	2007/08	2008/09
	Estimate	Estimate	Estimate
Upper limit on fixed interest rate exposures	95%	95%	95%
Upper limit on variable interest rate exposures	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			
	2006/07	2007/08	2008/09
	Estimate	Estimate	Estimate
Upper limit on fixed interest rate exposures	100%	100%	100%
Upper limit on variable interest rate exposures	15%	15%	15%

### 11. Gross Outstanding Investment.

Limits in interest rate exposure calculated with reference to outstanding investment sums			
	2006/07	2007/08	2008/09
	Estimate	Estimate	Estimate
Upper limit on fixed interest rate exposures	100%	100%	100%
Upper limit on variable interest rate exposures	40%	40%	40%

### 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	Upper Limit	Lower Limit
	Under 12 months	20%
12 months and within 24 months	20%	0%
24 months and within 5 years	45%	0%
5 years and within 10 years	35%	0%
10 years and above	35%	0%

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

There are currently no proposals for the authority to invest sums for longer than 364 days. However, the authority may wish to consider some limited longer-term investment in future years and a ceiling of £30 million is proposed

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

## **Additional Financial Pressures not Included in the Financial Envelope**

### *Management of Police Information (MoPI)*

Previously the requirement was for this to be implemented by 31 March 2008, but following pressure from all police forces, including the MPS. This deadline has now been extended to 31 March 2010. The attached budget projections do not contain an entry for MoPI, as the scope of the work to implement this Code of Practice is still being assessed.

### *Sustainable Procurement/London Living Wage*

There is also no entry at this stage for sustainable procurement and the London Living Wage. The Mayor has given a strong commitment to enforcing the new London Living Wage of £7.05 an hour through public contracts awarded by the GLA. The MPA has supported the GLA Group's aims to address equal opportunities and inclusion issues within its supplier base, but there are a number of issues which need to be addressed before the cost of moving to the Living Wage is added to the financial envelope and the MPS are not in a position at the present time to quantify these.

### *Police Pay Average*

Following some years of significant growth in police numbers police pay averages reduced in real terms as relatively large numbers of new officers came in at the bottom of the pay scale. This was recognised by reducing the police pay budget. The position for 2007/08 is likely to show a change as police officer numbers have stopped growing at the rate they were previously. As the newer officers rise through their incremental scale it is becoming apparent that the average is again increasing in real terms. Further work is now being done to investigate the impact in more detail and enable projections to be made for future budgets. No entry has therefore been made in the financial envelope at this stage.

### *Firearms Training*

Full evaluation of the delivery of firearms training has not been included in the financial envelope. The increased numbers being put through firearms training over the past few years need to be evaluated so that training can be delivered in the most effective way, bearing in mind the capacity for handling the calibre of firearms required and the most appropriate locations for refresher training. The potential implication may be a requirement for a new firearms training range.

### *New Normality*

The current debate on the financial provision needed to meet the cost of the 'new normality' in Counter Terrorism is the most significant of these 'unknown' pressures. It is therefore possible that even when the current budget gap is closed further measures may need to be taken at a later date to address these issues.

### *Neighbourhood Policing and PCSOs*

The MPS is working with the Home Office to look at PCSO numbers for the future as well as seeking further flexibilities in the funding. In particular the MPS is developing a cost sharing initiative with Local Authorities.

## Appendix 8

### General and Earmarked Reserves Policy

1. The Authority maintains working balances (the General Reserve) to manage uneven cash flows and avoid unnecessary temporary borrowing. These balances are also used to cushion the impact of unexpected events or emergencies. In addition earmarked reserves are used to meet known or predicted future expenditure. Provisions are established when the Authority has a financial obligation or liability as a result of a past event and that liability can be reliably estimated.

2. An essential element of medium term financial planning is an assessment of the adequacy of reserves and provisions.

#### General Reserve

3. The MPA/MPS has in place a risk management strategy and a system of internal control. Of particular importance in this context is the MPA/MPS budget monitoring policy. It ensures that regular budget monitoring is carried out and requires approval for carry-forward of any underspending and that any net overspending by MPS Business Groups is made good, unless other exceptional arrangements are approved by the Authority. The MPS has a good record in identifying budget pressures and taking appropriate remedial action. These existing systems, controls and procedures provide a firm foundation from which the need for reserves and balances can be calculated with a reasonable level of confidence.

#### Risk Analysis

4. A general reserves/balances risk analysis has been undertaken and the factors taken into account in the analysis are as follows:

- The estimates included in the medium term financial plan for inflation and interest rates;
- The assumptions used for the level and timing of capital receipts;
- The Authority's capacity to manage in year budget pressures from demand led services;
- The need for probable but uncoded future demands;
- The need for working capital pending the receipt of grant and other income;
- The need to respond to natural disasters and emergencies whilst at the same time maintaining routine services and provide flexibility during uncertainty and change;
- The need to meet as yet unknown liabilities;
- The financial risk inherent in new funding partnerships, outsourcing arrangements and major projects;
- The adequacy of the Authority's insurance arrangements;
- Financial control arrangements including internal and external audit arrangements;
- Availability and timeliness of information on changes in the Authority's financial position
- The size and scope of the capital programme and Prudential Indicators and local determination of borrowing levels;
- The tightening financial position which has already driven out budget efficiencies
- The predicted worsening national financial funding position

5. Special consideration was given to the Authority's Medium Term Financial Plan objectives, the Prudential Indicators and the impact of major capital projects. Subject to the maintenance of four key issues: adequate accounting provisions and earmarked reserves, reasonable insurance arrangements, a well funded budget and effective budgetary control, when all these factors are taken into account it is felt that the appropriate level for the General Reserve (including all uncommitted reserves) is in the range of 1.5 –2% of net revenue expenditure, to be attained as and when conditions permit. The proposal at the present time, including the General Reserve and the Emergencies Contingency Fund are within this range at 1.7% or £48.974M.

#### Earmarked Reserves

6. The Authority has a number of earmarked funds and reserves. These are identified in the table below together with forecast balances over a three year period. Individual descriptions of the funds are also provided.

## Provisions

7. A review of provisions has been undertaken. The remaining provisions are also estimated to be sufficient to meet known liabilities.

## Conclusion

8. The Reserves are based on a detailed estimate of known liabilities and expenditure plans and a risk analysis of future expenditure arising from unforeseen events. The level of reserves is judged prudent in the context of the Authority's Medium Term Financial Plan.

## Analysis of proposed Revenue Reserves 2006-2009

### Revenue Reserves

	Estimated At 31 March 2006 £000	Estimated At 31 March 2007 £000	Estimated At 31 March 2008 £000	Estimated At 31 March 2009 £000
<b>Earmarked Reserves</b>				
Budget Smoothing	24,000	0	0	0
Budget Pressures	2,352	0	0	0
Communications Project	20,027	0	0	0
Cost recovery	100	0	0	0
Laming Enquiry	101	0	0	0
Legal Costs	1,538	0	0	0
MPA	326	0	0	0
Dilapidations	3,000	3,000	3,000	3,000
Met Time Project	0	3,600	0	0
Operational Costs	9,206	500	500	500
Pandemic Response	456	0	0	0
Personal Insurance Indemnity Fund	170	340	510	680
PFI Contract	511	511	511	511
POCA	0	3,990	3,393	2,222
Police Pensions	5,000	5,000	5,000	5,000
Property Related Costs	7,734	5,734	5,734	5,734
Protective Clothing	354	0	0	0
Pump Priming Fund	2,000	2,000	2,000	2,000
Systems	392	0	0	0
Rent Smoothing	4,500	4,500	4,500	4,500
Vehicle Recovery Services	3,200	0	0	0
<b>Total</b>	<b>84,967</b>	<b>29,175</b>	<b>25,148</b>	<b>24,147</b>
Emergencies Contingencies Fund	20,134	20,134	20,134	20,134
<b>General Reserve</b>	<b>28,840</b>	<b>28,840</b>	<b>28,840</b>	<b>28,840</b>
<b>Total Revenue Reserves</b>	<b>133,941</b>	<b>78,149</b>	<b>74,122</b>	<b>73,121</b>

### Explanation of Existing Reserves at March 2006

**Budget Pressures Reserve** - This reserve was to meet specific unbudgeted pressures in 2005/06 and should normally be expected to be fully utilised by year-end.

**Budget Smoothing Reserve** – this reserve was created to provide the initial £24 million required to balance the budget in 2006/07.

**Communications project** – monies set aside for the development of an integrated communications system for the MPS. The expectation is that this will now be fully used in 2006/07.

**Emergencies Contingencies Fund** – An uncommitted fund under the direct control of the Authority for emergencies. Considered to be effectively part of the General Reserve.

**Laming Inquiry** – This reserve contributes to the continuing costs of implementing the recommendations to come out of the Laming Enquiry (the Ministerial enquiry chaired by Lord Laming following the death of Victoria Climbiè).

**Legal costs** - This reserve is to provide for the cost of potential lawsuits.

**MPA** - The reserve supported accommodation costs of office moves, and Independent Custody Visitors – organisational scheme management.

**Met Time Project** – An agreed reserve to finance the cost of a new IT system.

**Operational costs** - The reserve provided for a number of operational activities planned for 2005/06. The expectation would normally have been that the majority of the reserve will be used in 2005/06, with the balance being required in the medium term.

**Pandemic response** – The reserve is to be used for the cost of anti-viral drugs in order to maintain essential services.

**PFI Contracts** – The reserve has been established to part meet the costs of a PFI development. A proportion of it would normally have been required in 2005/06, with the remainder required in the medium term.

**Police Pensions** - The reasons for maintaining this reserve are (i) the MPA's responsibility for the costs of ill health retirements and the need for a reserve to smooth the costs year on year and (ii) assistance in dealing with any net deterioration in the Authority's financial position re the new pension financing arrangements. For the former it is anticipated that a sum of £5 million will be suitable and should be held to cover possible liability over the coming years, topped up as necessary upon annual review and a substantial part transferred to the general reserve. The latter risk of further adverse movement in the MPA's revenue budget is assess as low risk and does not need to be provided for.

**POCA** – Proceeds of Crime Act – This reserve is maintained to hold the anticipated POCA balances still awaiting distribution at the end of the financial year.

**Property related costs** – This reserve has been established to meet the cost of various building related projects. A proportion of this was required in the 2005/06 with the balance required in the medium term. The reserve has been topped up in 2005/06.

**Protective Clothing** – This reserve provides for the cost of protective clothing for officers including research and development and costs. The expectation would normally have been that the reserve will be fully utilised in 2005/06, but some residual spend will be undertaken in 2006/07.

**Rent Smoothing** – This reserve has been set up to fund future years increases on rent payable on a newly occupied building. The reserve will be required in the medium to long term.

**Systems** – The reserve contributes to the cost of developing financial systems. This will be required in 2005/06 and 2006/07.

**Vehicle recovery services** – This reserve was established to contribute towards the expansion costs of the vehicle recovery service. It is anticipated it will be fully utilised in 2006/07.