

Information for Mayor's Final Draft Consolidated Budget for 2011/12

1. Budget requirement 2010/11 to budget requirement 2011/12

Changes in the Police Authority's spending plans	2011/12 £m
2010/11 Budget requirement	2,673.3
<i>Changes due to:</i>	
Changes to General Grant	135.6
Inflation	56.5
Net reductions in existing services and programmes	-5.5
New initiatives and service improvements	71.3
Savings and efficiencies	-162.9
Increases in specific grants	-24.7
Transfers from reserves	-30.6
Savings to be identified	-11.9
2011/12 Budget requirement	2,701.1

2. Service Analysis

Revenue budget - summary by service

Outturn 2009/10 £000		Original Budget 2010/11 £000	Revised Budget 2010/11 £000	Forecast 2010/11 £000	Budget 2011/12 £000	Budget 2012/13 £000	Budget 2013/14 £000
	Business Groups:						
1,543,758	Territorial Policing	1,493,353	1,516,753	1,517,199	1,461,049	1,429,877	1,414,377
419,215	Specialist Crime Directorate	428,142	423,883	428,220	436,469	432,069	428,774
269,362	Specialist Operations	282,645	285,107	282,569	283,116	282,794	282,694
217,718	Central Operations	221,216	216,193	221,275	220,527	220,934	220,975
8,621	Olympics	34,541	26,807	24,132	59,489	183,354	0
255,395	Directorate of Resources	266,424	263,103	263,259	240,057	232,969	231,400
231,297	Directorate of Information	226,750	227,026	229,149	205,662	190,028	186,780
169,813	Human Resources	158,240	155,833	153,835	125,348	103,018	96,336
6,359	Directorate of Public Affairs	6,932	7,258	7,206	6,733	6,662	6,662
57,652	Deputy Commissioner's Portfolio	58,745	57,789	57,660	53,927	55,801	55,801
3,179,190	Total Business Groups	3,176,988	3,179,752	3,184,504	3,092,377	3,137,506	2,923,799
	Corporate Budgets:						
0	Discretionary Pension Costs	0	0	0	0	0	0
33,046	Centrally Held	30,125	33,125	33,125	33,125	33,125	33,125
-4,325	Capital Financing Costs	48,978	16,145	6,976	88,517	92,660	117,708
21,410	Interest Receipts	23,700	23,700	26,615	38,624	48,674	55,941
-842	Specific Grants	-800	-800	-950	-800	-800	-800
-591,314	Savings to be identified	-614,727	-586,761	-582,721	-516,779	-640,609	-355,955
0		0	0	0	-11,909	-96,755	-178,317
-542,025	Total Corporate Budgets	-512,724	-514,591	-516,955	-369,222	-563,705	-328,298
13,549	Metropolitan Police Authority	13,265	13,375	12,387	12,719	12,919	12,919
2,650,714	Net revenue expenditure	2,677,529	2,678,536	2,679,936	2,735,874	2,586,720	2,608,420
-16,108	Transfer from reserves	-4,229	-5,236	-17,636	-34,774	-21,320	-4,320
5,694	Transfer to reserves	0	0	11,000	0	0	0
2,640,300	Budget requirement	2,673,300	2,673,300	2,673,300	2,701,100	2,565,400	2,604,100
-2,640,300	Funding	-2,673,300	-2,673,300	-2,673,300	-2,701,100	-2,565,400	-2,604,100

3. Reserves

	01/04/10 £m	Balances in 2010/11 £m	Balances at 31/03/11 £m	Reserves at 31/03/12 £m	Reserves at 31/03/13 £m	Reserves at 31/03/14 £m
General reserves	47.4	0.0	47.4	34.4	23.4	19.4
Emergency Contingencies Fund	23.1	0.0	23.1	23.1	23.1	23.1
	70.5	0.0	70.5	57.5	46.5	42.5
Earmarked reserves	127.4	-45.1	82.3	60.5	50.2	49.9
Budget Pressures ¹	51.2	-12.4	38.8	38.8	38.8	38.8
Total	249.1	-57.5	191.6	156.8	135.5	131.2

Notes:

1 The budget pressures reserve shown above has been set up to help facilitate the shrinking of the organisation. An amount of £12.4m is forecast to be drawn-down in 2010/11 to fund costs of voluntary redundancy. Whilst it is not yet reflected in the figures above, it is expected that the remaining £38.8m will be drawn-down over the three years of the plan.

2. The use of balances in 2010/11 include a £11m transfer to reserves from a £11m underspend on revenue budgets. This reserve will be drawn down by £6m in 2011/12 and £5m in 2012/13.

3. Building on the initial five groups, HR is working closely with the Business Groups and SIP Change Leads to identify the next set of groups for early departure. This process is will be undertaken in consultation with the Trade Unions. The terms offered will be in accordance with the new Civil Service Compensation Scheme launched by the Cabinet Office in December 2010. A paper with detailed costs will be presented to the MPA Finance and Resources Committee on 17 February.

4. Subjective analysis

Revenue budget - summary by expenditure type:

Outturn 2009/10 £000		Original Budget 2010/11 £000	Revised Budget 2010/11 £000	Forecast 2010/11 £000	Budget 2011/12 £000	Budget 2012/13 £000	Budget 2013/14 £000
	Pay						
1,833,760	Police Officer Pay	1,884,095	1,852,901	1,843,285	1,884,750	1,878,412	1,839,627
597,206	Police Staff Pay	613,508	625,315	614,546	603,554	565,943	547,078
154,115	PCSO Pay	159,669	154,418	154,450	131,711	126,221	124,421
9,344	Traffic Wardens' Pay	7,942	8,765	8,775	309	308	308
2,594,425	Total Pay	2,665,214	2,641,399	2,621,056	2,620,324	2,570,884	2,511,434
	Overtime						
129,902	Police Officer Overtime	114,312	107,993	111,285	101,809	134,822	99,600
33,884	Police Staff Overtime	30,767	29,550	28,839	29,297	28,906	28,564
1,522	PCSO Overtime	1,593	1,371	1,079	1,763	1,763	1,763
488	Traffic Wardens' Overtime	318	333	312	63	63	63
165,796	Total Overtime	146,990	139,247	141,515	132,932	165,554	129,990
2,760,221	TOTAL PAY & OVERTIME	2,812,204	2,780,646	2,762,571	2,753,256	2,736,438	2,641,424
	Running Expenses						
34,221	Employee Related Expenditure	33,886	33,416	45,789	36,376	35,956	27,327
229,283	Premises Costs	234,155	233,239	237,354	215,112	243,876	208,060
71,092	Transport Costs	67,429	66,893	66,899	63,709	101,726	63,076
449,409	Supplies & Services	418,294	416,342	406,414	432,066	431,525	420,478
21,410	Capital Financing Costs	23,700	23,700	26,615	38,624	48,674	55,941
805,415	TOTAL RUNNING EXPENSES	777,464	773,590	783,071	785,887	861,757	774,882
3,565,636	TOTAL EXPENDITURE	3,589,668	3,554,236	3,545,642	3,539,143	3,598,195	3,416,306
	Income						
-842	Interest Receipts	-800	-800	-950	-800	-800	-800
-355,812	Other Income	-326,737	-321,264	-315,160	-306,906	-306,436	-305,939
-591,314	Specific Grants	-614,727	-586,761	-582,721	-516,779	-640,609	-355,955
-947,968	TOTAL INCOME	-942,264	-908,825	-898,831	-824,485	-947,845	-662,694
	Discretionary Pension Costs						
33,046	Discretionary Pension Costs	30,125	33,125	33,125	33,125	33,125	33,125
33,046	TOTAL DISCRETIONARY PENSION COSTS	30,125	33,125	33,125	33,125	33,125	33,125
	Savings to be identified				-11,909	-96,755	-178,317
2,650,714	NET EXPENDITURE	2,677,529	2,678,536	2,679,936	2,735,874	2,586,720	2,608,420
					0	0	0
-16,108	Transfer from reserves	-4,229	-5,236	-17,636	-34,774	-21,320	-4,320
5,694	Transfer to reserves	0	0	11,000	0	0	0
2,640,300	Budget Requirement	2,673,300	2,673,300	2,673,300	2,701,100	2,565,400	2,604,100

Outturn 2009/10	Staffing Requirements (numbers of staff)	Original Budget 2010/11	Revised Budget 2010/11	Budget 2011/12	Budget 2012/13	Budget 2013/14
32,785	Police Officers	32,827	32,827	32,510	31,913	31,800
475	Recruits	264	264	0	0	0
33,260	Total Police Officers (including Recruits)	33,091	33,091	32,510	31,913	31,800
14,427	Police Staff	14,986	15,178	14,774	14,201	14,132
4,607	PCSOs	4,639	4,639	3,849	3,749	3,749
247	Traffic Wardens	218	218	8	8	8
52,541	Total Staffing Requirements	52,934	53,126	51,141	49,871	49,689
3,125	MSC	5,330	5,000	6,667	6,667	6,667
55,666	Total	58,264	58,126	57,808	56,538	56,356

5. Changes in existing services and programmes

Committed changes	2011/12 £m	2012/13 £m	2013/14 £m
Total net committed changes	-5.5	74.0	-36.0

6. New initiatives

New Initiatives	2011/12	2012/13	2013/14
	£m	£m	£m
Operational Initiatives			
SCD - Telephone Investigation Unit (price increases), 24/7 operation in Operational Support Unit & covert running costs	1.7	1.8	1.7
SCD - Sapphire (additional officers)	1.2	1.2	1.2
SO - Loss of Overhead Income	1.0	1.0	1.0
TP - Implementing Child Sex Offender Disclosure Process, TP Development, Virtual Courts, Criminal Justice, Anti Gang etc	7.0	7.8	5.7
CO - Reduction in cost recovery from sporting events	2.6	1.6	1.6
CO - ACCO support costs, additional mounted branch costs etc	0.2	0.2	0.2
CH - Extreme Threats Group	0.2	0.4	0.4
CH - National Police Intelligence Agency	1.0	8.0	15.0
Total - Operational Initiatives	14.9	22.0	26.8
ICT Support Systems			
HR - Transforming Human Resources (Oracle support costs)	0.2	0.2	0.2
Projects into Service - PINS	14.1	21.5	25.5
Total - ICT Support Systems	14.3	21.7	25.7
Other			
Discretionary Pension Costs	2.0	1.0	1.0
DoI - Airwave usage cost pressure	1.0	1.0	1.0
DoR - Carbon Credit scheme	1.5	1.5	1.5
HR - Uniform storage	1.0	0.8	0.8
DoR - Capital Financing Costs	1.0	2.1	2.1
Total - Other	6.5	6.4	6.4
Total New Initiatives	35.7	50.1	58.9

7. Savings and efficiencies

Savings and Efficiencies	2011/12	2012/13	2013/14
	£m	£m	£m
Corporate Issues			
Officer and staff pay freeze for two years	-14.6	-38.9	-63.6
Withdrawal of Special Priority Payments to Officers	-16.2	-16.2	-16.2
Review of Police Staff Terms and Conditions	-10.0	-18.3	-22.3
ATOC agreement - tax passed onto officers	-4.0	-4.1	-4.1
Service Improvement			
Recruitment model modernisation	-8.2	-10.6	-10.6
Rationalisation of property estate	-8.5	-17.8	-23.8
Property Services modernisation and contract rationalisation	-9.5	-9.5	-11.5
Catering modernisation	-5.2	-7.3	-11.1
Training modernisation	-9.4	-21.3	-21.3
Transport rationalisation	-5.0	-5.0	-5.0
ICT efficiencies and contract rationalisation	-13.1	-23.9	-26.2
F & R modernisation and contract efficiencies	-0.9	-1.3	-1.4
Other strategic procurement	0.3	-13.7	-14.3
Asset tracking	0.0	0.0	-1.0
Territorial Policing development programme	-26.2	-43.1	-54.8
Support Services			
Resources Directorate	-8.2	-5.5	-5.4
HR Directorate	-0.9	-0.9	-0.9
Directorate of Information	-11.4	-8.8	-10.0
Deputy Commissioner Portfolio	-2.0	0.0	0.0
Directorate of Public Affairs	-0.2	-0.2	-0.2
Specialist Crime	-1.0	-1.0	-1.0
Operational Services			
Deputy Commissioner Portfolio	-3.5	-3.5	-3.5
Specialist Operations	-1.8	1.3	1.2
Central Operations	-1.3	-1.5	-1.5
Specialist Crime	-7.6	-10.0	-13.2
Territorial Policing	-18.9	-24.1	-25.9
MPA reductions			
	-0.8	-0.6	-0.6
Budget Resilience			
	25.1	25.4	25.4
Total savings and efficiencies	-163.0	-260.4	-322.8