

## Appendix C

### BUDGET SAVINGS 2003/04

Theme	Directorate	Proposed Savings	Action Plan	Potential Risks to Service	Total	Validated Revenue Saving	Operationally Viable	Agreed by Management Board
1	TP	Reduce Pan-London Incidentals budget by £500k and reduce non-pay devolved budgets by £830k			£1.330m	Yes	Yes	Yes
	<b>TP Total</b>				<b>£1.330m</b>			
2	SO	Cut to Consultancy budget	Cut to base line budget		£207k	Yes	Yes	Yes
3	SO	Cut to Forensic budget	Cut to base line budget		£1m	Yes	Yes	Yes
4	SO	Jury Protection	The situation will be risk managed on the basis that this year's budget is significantly underspent (20%)	This area is difficult to predict and will need to be re-visited in the latter half of 2003/04.	£100k	Yes (but will need reviewing mid-year)	Yes	Yes
5	SO	Cut in running expenses	To be spread across SO		£155k	Yes	Yes	Yes
	<b>SO Total</b>				<b>£1.462m</b>			
6	HR (Services)	£164k reduction in medical fees budget and miscellaneous running costs budgets from current provision of £7.726m.	£89k from medical fees budget £75k from miscellaneous supplies and equipment budgets Total £164k The reductions would be made at the start of 2003-04 and monitored by HR Board as part of the monthly budget scrutiny programme.	The medical fees budget is used to support officers off sick and to speed their return to work. Reductions in budget will reduce the level of services available (physiotherapy, spend to save initiatives etc). This budget supports the attendance management policy by helping to reduce absence through sickness.	£164k	Yes	Yes	Yes
7	HR (Selection)	£361k reduction in corporate recruitment advertising from Selection Directorate overall allocation of £11.238m	In 2002-03 the corporate recruiting and advertising budget is £6.284m.	In 2002-03 the corporate recruiting and advertising budget is £6.284m.	£383k	Yes	Yes	Yes

		£22k reductions from miscellaneous running costs	This allocation for 2003-04 would be reduced by £383k at start of year. The reduction would be made at start of 2003-04 and spend would be monitored monthly by HR Board to ensure compliance.	This allocation for 2003-04 would be reduced by £383k at start of year. The reduction would be made at start of 2003-04 and spend would be monitored monthly by HR Board to ensure compliance.				
8	HR DTD	<p>The Directorate would achieve the reductions through the following changes in current activity and service provision</p> <p>£172k from cancellation of free meals to non-recruit students at DTD;</p> <p>£85k reduction in external training budget;</p> <p>£35k reduction in corporate external training budget,</p> <p>£45k from corporate vehicle hire budget,</p> <p>£34k from miscellaneous travel &amp; subsistence costs,</p> <p>.£139k from miscellaneous running costs</p> <p><b>Total £510k</b></p>	The reductions would be made in DTD allocation at the start of 2003-04 and monitored by HR Board as part of the monthly budget scrutiny.	<p>The removal of free meals to all (non-recruit) students would remove an anachronism whereby certain groups of students are provided with meal vouchers for historical reasons. Peel Centre operates subsidised catering facilities hence the removal of free meals should not result in subsistence claims by students against local budgets.</p> <p>The remaining reductions will have some impact on the current performance of DTD but would not be a risk to the MPS generally.</p>	£510k	Yes	Yes	Yes

9	HR (Strategy)	£81k savings in miscellaneous running costs from allocation of £3.33m.	Savings would be found by reducing allocation at start of 2003-04; the budget would be monitored by HR Board as part of the monthly scrutiny programme.	The reductions would impact on the service currently provided to the rest of the HR Directorate but there would be no significant risks to MPS.	£81K	Yes	Yes	Yes
10	HR (Holding)	The holding branch allocation is £32.243m. However this includes recruits pay budgets and secondments budgets, the latter being costs which are refundable to the MPS. In terms of savings, both of these categories have been ignored; £250k reduction in the remaining Holding branch budgets would come from corporate external training and recruits equipment budgets.	£190k from the corporate external training budget (currently £1.3m)  £60k savings from equipment and written material supplied to recruits  Total £250k (representing 3% of the non-refundable/non-recruits element of Holding Branch allocation).  Reductions in these budgets would be made at the start of 2003-04 and would be monitored by HR Board as part of the monthly budget scrutiny programme.	Reductions in the corporate external training budget would affect the funding currently provided to those seeking professional development in HR and finance and associated management development. In many cases this allocation represents the only route for sponsored professional development of civil staff on Boroughs and elsewhere.  The proposed reductions in the provision of supplies to recruits reflects best value economies in the supply of written material and equipment to recruits at Peel Centre. The reductions would not impact on recruits' training or performance.	£250k	Yes	Yes	Yes
<b>HR Total</b>					<b>£1.388m</b>			

11	Dol	The current hardware contract with NEXTRA (Via SEMA) is based upon 22,000 workstations. A renegotiated contract for 22,000 workstations has resulted in a saving of £500k. It has been assumed that we will need to re-negotiate for increased numbers in 2004/05, when numbers are likely to exceed the 10% threshold on the base.	The hardware contract has been renegotiated and the savings will begin to materialise during this financial year 2002-03.	This saving is on the basis that the organisation will not exceed 22,000 plus (10% threshold) workstations during 2003-04. If in future this number is exceeded then there will be a cost pressure to the organisation depending on growth of workstation	£500k	Yes	Yes	Yes
12	Dol	This saving is as a result of the implementation of release 10 of the CRIS system, with ensuing lower support costs as contained in the contract. Although there are delays in release 10 being available, the support costs payable will be in line with the contract, irrespective of actual delivery date.	This contract is already in place and therefore the action to achieve these savings are in place.	There will be no decrease in service, despite the delay in delivery of release 10.	£883k	Yes	Yes	Yes
13	Dol	METHOLMES 1 has now been superseded by METHOLMES 2; support costs for this application are £60k less.	No action is required, as METHOLMES 1 has been superseded by METHOLMES 2.	There will be no decrease in service	£60K	Yes	Yes	Yes

14	Dol	We are now (2002-03) charging Forensic sciences for the use of Met telephony service. This income is based on the level of income currently being received.	The charging mechanism is already in place and invoices have been raised for this financial year's expenditure.	It is possible that Forensic may wish to purchase telephony services outside the Met or to negotiate reduce rates	£240k	Yes	Yes	Yes
15	Dol	This financial year one of the business groups within Dol (Strategies) are undertaking a large training program. As a consequence of this, a saving of £23k (Non-recurring) can be made for 2003/04. It is envisaged that the training requirements for 2004/05 will require this saving to be reinstated.	A training program has been drawn up and actions are underway to ensure that majority of Strategies staff receive training within this financial year.	Strategies will need to ensure that the training program for this financial year (2002-03) is met. If there is an over spill to the next financial year. Restrictions to external training will need to be imposed by the group	£23k	Yes  (but saving offered are one year only, not ongoing)	Yes	Yes
16	Dol	The migration of Aware has meant a reduction of Non Corporate I.T purchases.	Budget restrictions are in place to limit Non Corporate I.T purchases.	No risks are perceived at present	£12k	Yes	Yes	Yes
17	Dol	We are currently experiencing a significant number of visitors who are now being charged for the use of CCB and various group visits to CCC	The processes and procedures have been in place as regards to accepting and billing for visitors. The additional income will be a continuation of the current scheme.	This income generation is dependent on numbers of visitors; this may fluctuate in the future.	£75k	Yes	Yes	Yes

18	Dol	The saving identified for 2003/04 reflects the expected spend required to match the capital programme, taking into account the platform already built by the infrastructure and strategy programmes in the current year. This is being identified as a one-off saving pending further clarification of the likely programme for 2004/05.	This will be determined after the finalisation of the Capital programme for 2003-04.	This saving can only be achieved on current information on the capital programme for next financial year; any deviations from this will require Dol to revisit this saving.	£119k	Yes  (but saving offered are one year only, not ongoing)	Yes	Yes
<b>Dol total</b>					<b>£1.912m</b>			
19	DoR (Commercial Services)	Recovery of interpreters fees for work done for the Immigration & Nationality Dept (IND)	Negotiations are in place with IND to identify work & recover fees	Savings are subject to the success of the  +negotiations	£400k	Yes  (subject to successful negotiations)	Yes	Yes
20	DoR (Commercial Services)	Savings arising as a result of renewals of contract for Uniform Services	Negotiations re new contract are ongoing	Savings are subject to the success of the negotiations	£30k	Yes  (subject to successful negotiations)	Yes	Yes

21	DoR (Commercial Services)	Reduction to Uniform Services R & D budget			£199k	Yes	Yes	Yes
22	Catering	Additional recovery of costs incurred in the provision of Catering Services at ID	Work has been undertaken to review the costs for 2002/03 and charge at the increased level specified.	None anticipated	£190k	Yes	Yes	Yes
23	Catering	Income generation to come from: -  Piloting Charity Scratch Cards & Hendon, NSY & Charring Cross  Pool Tables at Peel Centre/Mill Hill Recruits training centre  General Knowledge 'Skills with Prizes' machines	Introduction of aforementioned schemes	None anticipated	£60k	Yes	Yes	Yes
24	Catering	Additional savings are now offered	<ul style="list-style-type: none"> <li>• Closure of Enfield PS catering unit (subject to agreement) (£15k)</li> <li>• Reduced spend on heavy duty catering equipment (£15k)</li> <li>• Reduced spend on catering utensils (£10k)</li> <li>• Increase in turnover (£80k) minus the cost of goods (£42k) to achieve an increase in net income (£38k).</li> </ul>		£78k	Yes	Yes	Yes

25	Finance	Reduce budget for Bank Charges and Fees	Closer monitoring of bank accounts by exchequer Service. Current trends of charges indicate reduced expenditure arising from increased use of BACS transactions	This cost element includes an allocation for the introduction of the Cash Collection Project, which is currently in the early stages. Future costs & the final contract price are difficult to predict so the saving is only an estimate.	£50k	Yes	Yes	Yes
26	Finance	Reduce budget for MPS liability for tax/national insurance on free travel & cars used by police officers	Tax consultants to be appointed to continue discussion/negotiations with Inland Revenue	Risk of tax/national insurance liability being identified with is not currently paid. Appointment of Tax Advisors should minimise this risk.	£250k	Yes	Yes	Yes
27	Resources	Net income generated by expanded unit in Procurement Services	Subject to approval by MPA		£500k	Yes	Yes	Yes
28	PSD	Reduction in the spend on new furniture, furniture repair & soft furnishings	Review projected spends on new furniture etc. within capital works & HQ churn programmes Dec 02.  Determine in conjunction with future occupiers. Potential for re-use of existing furniture Jan 03  Implement changes to programme April 03.	Continues use of non-IT compatible furniture.  No new furniture to facilitate new working practices i.e. hot desking  Continuing deterioration of condition of furniture stock  Refurbished accommodation not having benefit of new furniture	£750k	Yes	Yes	Yes
29	PSD	Accommodation costs for new recruits  Meal charges for new recruits	£50 per week x 18 wks x 3,000 recruits  £21 per week x 18 wks x 3,000 recruits	Systems for addressing welfare considerations will need to be introduced	£3.834m	Yes	Yes	Yes
<b>DoR Total</b>					<b>£6.341m</b>			
30	DCC3 (DPA)	a) Reduce the number of edition of the Job newspaper published	Cut back on numbers of the Job and Notices from April 2003.	Potential impact on internal communication	£117k	Yes	Yes	Yes



		b) Reduce the number of hard copies of the Job & Notices printed  c) Cut back on the spend for advertising campaigns & publications	Cut back on spend for advertising campaigns/publications for 2003/04	Cut backs on advertising etc. may impact on ability to communicate key messages to London, also ability to translate messages into different languages.				
31	DCC 4 (Diversity Directorate)	Savings will be made in the following budget lines; -  Transport (fuel supply, local vehicle hire & overseas travel) - £24,112	Money to be removed from the budget at the beginning of the new financial year with no detrimental effect on performance	None anticipated	£24k	Yes	Yes	Yes
32	DCC7	Savings to be made in general supplies & services as a result of brigading of DCC support services within DCC7.	Money to be removed from the budget at the beginning of the new financial year with no detrimental effect on performance	None anticipated	£8k	Yes	Yes	Yes
33	DCC8 (Accident Claims)	Increase in income from Accident Claims will be received at intervals	Increased income budget at start of financial year.	No perceived risks. Income profile over the last 2 years suggests the increased target is achievable.	£100k	Yes	Yes	Yes
34	DCC9 (Drugs Directorate)	Savings to be made against transport and training.	Money to be removed from the budget at the beginning of the new financial year with no detrimental effect on performance.	None anticipated.	£2k.	Yes	Yes	Yes
35	DCC5 & 8	Possible u/s on corporate compensation budget	Decision as to whether this can be achieved to made by the MPA	Risk of not increasing the provision for 3 <sup>rd</sup> party liabilities to the amount required by the Auditors and the MPA Treasurer.	£2.813m	Yes	Yes	Yes
	<b><u>DCC</u></b> <b><u>total</u></b>				<b>£3.064m</b>			

36	PRS	Reductions in external consultancy	Baseline reduction at the beginning of 2003/04	The organisation will have to plan for less activity in this area and absorb as much as possible in PRS	£316k	Yes	Yes	Yes
37	PRS	Reduction in external training	Baseline reduction at the beginning of 2003/04	This would limit the extent to which staff can be developed and would need to maximise what can be delivered internally	£100k	Yes	Yes	Yes
38	PRS	Reduction in civil staff overtime	Baseline reduction at the beginning of 2003/04	Activity (not specified) would have to be curtailed.	£80k	Yes	Yes	Yes
	<b>PRS Total</b>				<b>£496k</b>			
	<b>Grand Total</b>				<b>£15.993m</b>			