

**DRAFT**

**MPA Budget Submission to the GLA  
November 2004**

**Section B**

**2005/06 Revenue Budget and  
Medium Term Financial Projection**

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## **A. Budget guidance**

1. The revenue budget for 2005/06 and the medium term financial forecasts to 2007/08 set out in the attached statements have been developed taking account of the guidance issued by the Mayor on 30 June 2004.
2. The guidance included specific policy objectives for the MPA to address in its submission as follows:
  - Plans to increase the numbers of police officers and police community support officers, while at the same time accelerating progress towards the target of 30% black and minority ethnic officers and 25% women officers, and plans for the deployment of additional officers.
  - Plans for the expansion of the Safer Neighbourhoods programme providing reassurance and working with Londoners to tackle anti-social behaviour and improve quality of life.
  - Plans to free up police officers for front-line duty by, where appropriate, using civilian staff for back room posts covered by police officers.
  - The implementation of plans that increase the safety and security of women, and the manifesto proposals on domestic violence and hate crime.
  - The manifesto proposals on a real time reporting system and the targeting of police resources.
  - Other initiatives designed to deliver improvements in public confidence in policing for all London's communities and improve all Londoners' feelings of safety and security.
3. The first of these objectives is dealt with partly through the options for the continuation of the Step Change programme and partly through the Budget and Equalities Submission. The second objective is also part of the Step Change programme. Civilianisation is considered at paragraphs 23-24 below. Further more detailed comments on civilianisation and the other objectives in the Mayor's guidance are addressed in the Business Plan to be submitted separately with the Budget Submission.
4. The Mayor's guidance recognised that, in the context of the implementation of a new government spending review (SR2004), budget options would have to be developed with continuing uncertainty around government grant. The guidance therefore set no minimum cash saving targets but the budget submission must exemplify proposals which span the range:
  - A budget requirement restricted to the amount that could be funded by a 2.5% increase in the MPA's share of the GLA council tax precept.

- A budget requirement restricted to the amount projected for 2005/06 in the published final 2004/05 GLA budget.
5. The forward plan figures in the published final 2004/05 GLA budget exclude provision for the next stages of the Step Change programme. In view of this and because additional funding was to be sought from the Government, the further expansion of police numbers beyond phase 1 was not covered by the above parameters and was to be treated separately.
  6. The guidance specifically required the development of a menu of options covering intermediate levels between the two ends of the range.
  7. The guidance prescribes the format in which the revenue budget is to be presented and this is reflected in the detailed statements. The guidance also requires that the submission include details of reserves and balances and related policies and a report by the Chief Financial Officer on the robustness of the proposed budget estimates and the adequacy of the financial reserves.

## **B. Overall position**

8. The draft budget for 2005/06 set out in this submission totals £2,703.1 million, an increase of 5.3% over the original budget for 2004/05, as approved by the MPA in March 2004. At this stage the budget excludes any new expenditure on the Step Change programme. Total funding comprises government grant, council tax precept and use of reserves. The critical assumption in estimating government grant is that general, formula-driven grants will be subject to a 5% ceiling for 2005/06 increases and that the MPA's entitlement will be at the ceiling level.
9. The overall position is summarised in Table 1 as follows.

*Table1 2005/06 Revenue Budget – Overall Position*

	<i>2004/05 £m</i>	<i>2005/06 (draft) £m</i>	<i>Change %</i>
Total net expenditure	2,567.6	2,703.1	5.3
Total funding			
Government grants	2,022.6	2,119.5	4.8
Council tax precept	521.3	572.6	9.8
Use of reserves	<u>23.7</u>	<u>11.0</u>	
	2,567.6	2,703.1	
Budget requirement (total exp. net of specific grants and reserves)	2,343.3	2,485.7	6.1

10. The draft budget falls within the range for options to be exemplified as specified in the Mayor's guidance and is broadly in line with one of the intermediate options determined by the MPA Finance Committee (see paragraph 16 below).
11. Net expenditure includes committed increases and decreases, new initiatives and savings as detailed in schedules 2 and 12. There is a commentary on the expenditure and savings proposals at paragraphs 25-35 below. Detailed analysis of the expenditure estimates is set out in schedules 4 to 8. The grant forecast is described in paragraphs 36-46 below and set out in schedule 3. Proposals in respect of reserves are made in paragraphs 47-54 below
12. Net expenditure for 2005/06 represents an increase of £135.5 million over 2004/05. A summary of this increase is shown below.

*Table 2 Summary of change between 2004/05 approved budget and 2005/06 draft budget*

	£m	£m
2004/05 net expenditure		2,567.6
Inflation	72.0	
Committed increases	109.6	
Committed decreases	(12.6)	
Efficiency and other savings	(65.8)	
New initiatives	18.2	
Real terms change in unfunded pensions	14.1	
		135.5
2005/06 draft net expenditure		2,703.1

13. Proposals for continuation of the Step Change programme are included separately in the budget submission (section C). The following table shows the impact of incorporating option D into the 2005/06 budget as currently drafted.

*Table 3 Summary of impact of incorporating Step Change into the draft 2005/06 budget*

	<i>Budget requirement</i> £m	<i>Increase</i> %	<i>Total Precept</i> £m	<i>Increase</i> %
Budget as submitted	2,485.7	6.1	572.6	9.8
Step Change option D	39.4	1.7	39.4	7.6
Total	2,525.1	7.8	612.0	17.4

14. A precept increase of this magnitude would almost certainly be unsustainable in the context of council tax capping and the draft budget will have to be reviewed following the grant settlement before final proposals are submitted to the Mayor in December.

### **C. Budget process**

15. In approaching the review of the budget proposals for the 2005/06 Medium Term Financial Plan, the starting point was the approved MTFP for 2004/05. This document already indicated an increase in expenditure in 2005/06 that would require a substantial precept increase if no changes were made to the assumptions underlying the financial projections and before any new growth items were included. Based on a relatively optimistic assumption that there would be a ceiling of 5% applied to formula grant increases, the precept increase would be 17%. This represented the upper limit of the range within which the Mayor's guidance sought exemplification of budget options.
16. In the light of this the Finance Committee agreed two intermediate budget options for exemplification, namely budget requirements equivalent to 9.9% and 5.0% precept increases. These would be in addition to the lower end of the guidance range, i.e. a budget requirement producing a 2.5% precept increase.
17. In order to develop a budget within the range indicated by the Mayor and taking account of likely precept capping limits, an overall savings target of £60m was agreed by the Finance Committee. To provide some further flexibility, the MPS Management Board required the savings target to be increased to £70m.
18. The process agreed to put this into effect was to issue each business group with a control total derived from the expenditure projection contained in the 2004/05 MTFP reduced by a share of the overall savings target. Business groups were free to amend growth proposals or identify savings proposals that were needed to draw up a budget within the control totals. The control totals were issued to business groups at the beginning of August 2004.
19. Guidance to business groups was that scope for growth was likely to be very limited and that priority needed to be given to the major change management programmes being implemented in the MPS. Attempts have been made to link the budget proposals in this submission more closely to the planning processes within the MPS. The planning priorities and linkages with the financial growth proposals are outlined in the Business Planning section of the budget submission.
20. During the course of the budget review, business groups identified many more operational pressures that give rise to financial requirements. This led to returns in early September exceeding the control totals by £135m. These returns were considered at a number of meetings of the Planning Process Board set up to coordinate the financial and planning processes of the MPS. Further guidance was also given at the Change Coordination Committee of MPS Management Board members.

21. Arising from directions given at these meetings, business groups have reduced their submissions to the extent that the budget proposals have been reduced to £21.8m above the control totals. In reaching this position there have clearly been a number of difficult decisions. The savings proposals are identified in Schedule 12 within the budget submission.
22. In addition, a number of significant items have been excluded that would have appeared as growth proposals had resources been available. A separate confidential briefing note was prepared for members of the Finance Committee and is being circulated to all members of the Authority. In particular attention is drawn to the fact that no growth is included to respond to the Bichard and Morris Inquiries. There is also no bid for resources to fund the medium term strategy for police staff pay that has been previously reported to Human Resources Committee and was costed at £12.7m in 2004/05.
23. The Mayors guidance also required information on plans to free up police officers for front-line duty by, where appropriate, using civilian staff for back room posts covered by police officers. Civilianisation had previously been incorporated into the Step Change programme with the growth in police officer numbers being partly provided by civilianising existing police officer posts on a 'head for head' basis. Practical considerations have resulted in a refocusing of efforts to achieve civilianisation by releasing police officers from various duties taken over by police staff. These considerations have also led to the separation of the proposals from the Step Change programme.
24. The Director of HR leads on MPS civilianisation generally and proposals are included in the business group submissions where civilianisation can contribute to achieving the overall budget constraints. In particular, the TP submission proposes strengthening of the police staff on boroughs that would facilitate the release of police officers for front-line duties. These are commented on more fully in paragraph 27 below.

**D. Expenditure pressures and savings**

25. The expenditure pressures impacting on 2005/06 include the following corporate items:

- a. *Inflation/Pay Awards* £78.62m

Pay awards for all police officers and staff have been included at rates reflecting current expectations of the outcome of negotiations and the ongoing effect of the Hay pay review. Non-pay inflation is included at 2.5%.

b. *Police pay reform* £5.1m

This provision relates to the ongoing effects of reform of the police pay structure including special priority payments.

c. *Employer's pension contributions for police staff* £24.551m

The rate of employer's contribution will increase by approximately 5% of pay increasing the amount to be paid over to the Cabinet Office for the police staff pension scheme.

d. *Payments to ATOC re police officer free travel* £9.3m

The cost of the free travel agreement has increased substantially as a result of survey data that indicates a higher take up of the free travel facility than had previously been forecast. Costs were capped in 2004/05 but this protection is no longer available for 2005/06.

e. *Police pensions* £14.1m

The underlying level of increased net pension costs in 2005/06 based on current projections amounts to £24.1m in higher lump sum and annual pension payments above the pension liabilities in 2004/05. This can be offset, however, by an increase in income from pension contributions and transfer values and from a reduced number of medical retirements and fewer officers exercising their right to retire when they attain retirement age Net savings of £10m have therefore been applied to reduce this budget requirement.

A forecast underspending on this budget in 2004/05, also indicates that it may be possible to make a further reduction in the pension budget. However, it must be stressed that the numbers of retirements are difficult to predict and that the liability for lump sums may increase rapidly if the number of retirements exceeds expectations.

f. *Step Change Phase 1* £15.626m

The full year costs of the 2004/05 Step Change provision amounts to £15.626m across all business groups. Phase 2 proposals for 2005/06 have been excluded from this part of the budget submission and are reported on separately.

26. The overall impact of these pressures alone is some £70m in excess of inflation. The review of budget requirements by business groups also identified significant operational pressures in addition to those already reflected in the 2004/05 MTFP. After consideration by the MPS Management Board these have been substantially scaled back and savings of £65.78m identified to offset funding requirements. Details of the growth proposals are included in schedule 2 and the savings



proposals in schedule 12. The major items impacting on the proposals reflected in this budget submission include the following:-

27. Within Territorial Policing (TP), proposals have been included for funding the new Traffic Criminal Justice Unit and the victim and witness focus desks. Transitional funding was included in the 2004/05 budget to help begin the establishment of these functions. Permanent funding is now required to ensure continued development of these roles. Benefits are anticipated in improved performance in criminal justice disposals and in releasing police officer resources in boroughs for front-line duties. This will facilitate the release of 160 police officers to reduce the cost of establishing additional Safer Neighbourhood teams in 160 wards in 2005/06 as part of the Step Change programme. The police staff employed as part of the Traffic CJU will also allow the civilianisation of 56 police officer posts undertaking enquiries related to traffic offences. The funding of the Traffic CJU is linked with the income anticipated from the decriminalisation of red routes that contributes to the savings identified in TP.
28. The Specialist Crime Directorate (SCD) has lead responsibility for the implementation of the National Intelligence Model required by the Home Office. Additional funds are required to discharge this responsibility. The operation of the control totals in preparing the budget has meant that SCD has contained this pressure by identifying savings to offset the cost. Within these savings there is a sum of £8.9m to be achieved by a fundamental review of the SCD structure of service delivery. Details of this will need to be worked out in time for implementation in 2005/06. Proposals under consideration include an element of civilianisation and a reduction in police overtime.
29. For Specialist Operations there is a requirement to provide heightened security arising from the G8 meeting scheduled for July 2005, Britain's presidency of the EU and the general election likely to be called in 2005. These events are over and above the normal level of annual activity and are anticipated to need an extra £3m primarily in police officer overtime. In addition proposals for armed hospital guards and a team to undertake planning for the 2012 bid for the Olympic games are included in the budget submission.
30. The implementation of C3i and Airwave also represent further pressures in 2005/06. The dual running of Airwave is currently forecast to require an additional £6.386m in 2005/06 prior to offsetting savings in future years as Metradio is phased out. A specific provision set up with grant funding in 2003/04 has also been fully utilised in 2004/05 resulting in an increased funding requirement of £4.1m in 2005/06.
31. Expenditure associated with C3i will increase by £5.549m in 2005/06 and a further £3.874m in 2006/07 before budget reductions offsetting these increases come on stream in 2007/08 and 2008/09. Some delays in the roll out of this programme have adversely affected the profile of

business benefits being achieved and increased the costs attributable to this project.

32. The amount of growth within the DoI business group has also forced this area to identify substantial budget savings towards meeting its control total. Savings totalling £8.2m are proposed from within its departmental budget that are detailed in Schedule 12. These will clearly impact on a number of IT programmes and delay operational benefits from their implementation.
33. The Resources Directorate savings proposals include a reduction of £4.2m in Property Services Directorate that will come partly from vacancy management but primarily reduced expenditure on buildings facilities management. Given the level of backlog maintenance previously reported this cut would clearly exacerbate the situation regarding the condition of the MPS estate.
34. As part of the savings proposals, items have been included for capitalisation of expenditure within the existing revenue budget for both Property Services and DoI. £5m in each area is proposed to be transferred to the capital programme and this is reflected in the capital strategy included with the budget submission. This proposal will reduce the immediate charge to the Revenue Account but will require additional borrowing and an increase in capital financing charges.
35. Forecasts of interest on revenue balances continue to indicate that actual receipts will exceed the current budget provision in 2004/05. At present a sum of £1m has been included in the budget submission but this will be kept under review to assess whether further savings can be anticipated.

## **E. Government Grants**

36. A summary of projected levels of grant funding over the medium term is set out in schedule 3. The medium term period coincides with the three years covered by the Government's latest spending review SR2004 the conclusion of which was announced in July 2004. However there remain significant uncertainties about the review's precise implications for police authorities generally and the MPA in particular, which are unlikely to be resolved until the provisional grant settlement for 2005/06 is published in mid November. Grant prospects in the medium term remain further clouded by the likely incorporation of full 2001 census data into the grant formula from 2006 together with the outcome of an associated review of the formula itself. At this stage grant changes arising from new arrangements for financing police pensions due to be implemented from April 2006 are also unclear.
37. At this stage there is still no published disaggregation of the total Home Office provision reflected in SR2004 across its service responsibilities.

Total Home Office resources show an increase in 2005/06 of 6% with an average annual increase of 5.4% over the three year review period. The Chancellor of the Exchequer stated that 'with the Immigration and Nationality Department budget now flat, the rest of the Home Office budget will see an annual real terms increase of 4 per cent.'

38. Until we see further detail, we do not know the increase in the police provision nationally, nor how much of that provision will be applied to central services or ring fenced for specific purposes. In particular it is not possible to say how much grant will be available for distribution by way of the allocation formula. Experience in previous years suggests that the increase in formula grant will be lower than that for police resources as a whole.
39. In 2004/05 all police authorities received a similar flat rate increase of about 3.3% in general grants. As a result the MPA's actual allocation was £56 million less than we were entitled to under the formula which had become more favourable to the Metropolitan Police following the review carried out in 2002. There will only be the normal data changes in 2005/06 and relative formula entitlements should therefore remain similar to the current year.
40. The Chair of the Authority and the Mayor have been lobbying ministers to ensure that they are fully aware of the potential implications for London of final decisions in relation to next year's grant settlement.
41. Given the overall increase in Home Office resources and the stated wish of the Home Secretary not to repeat the 2004/05 approach it seems probable that there will be a more realistic ceiling applied to grant gains next year. In that case an assumption of a 5% ceiling does not appear unreasonable and this has been built into our grant forecasts. If in the event this assumption proves to be over-optimistic every 0.5% reduction in the ceiling would mean lower grant of £9.1 million, equivalent to 1.7% on the precept.
42. Earmarked grants have been estimated on the best information available. However a number of issues remain unresolved as set out in the following paragraphs.
43. As part of SR2004 the Home Secretary announced that there would be additional resources to secure an increase in community support officers (CSOs) nationally from 4,000 currently to 20,000 by March 2008. To achieve this a new Neighbourhood Policing Fund (NPF) is to be established. An initial tranche of funding (£50 million) has been made available for recruitment of CSOs during 2004/05. A bid has been submitted for the full complement of PCSOs required for the next planned phase of safer neighbourhoods under the Step Change programme. It is unlikely that the bid will be agreed in full or that the funding will match the MPS costs related to the number of CSOs approved. It is understood that there will be no further funds available

from the NPF until 2006/07. At this stage no NPF funding has been included in schedule 3. The amount eventually approved will effectively offset growth in Step Change costs.

44. A new provision of £50 million for counter terrorism has been included in the Home Office's total resources under SR2004. No decisions have yet been announced as to the allocation of this funding. The Home Office's attention has been drawn to the evidence, including the report by Avail Consulting, that funding for national, international and capital city functions of the MPS seems to be falling short of costs largely because of the pressures around counter terrorism. It has been suggested that counter terrorism grant should be made available to support expenditure, which is already being incurred. As with the NPF, no assumption has been made about additional counter terrorism funding in the draft budget.
45. In the original proposals for the 2004/05 settlement the Home Office had transferred the Airwave specific grant into the main formula grant. Following strong representations from police authorities the specific grant was partly reinstated for the final settlement. It is unclear whether there will be any specific Airwave funding for 2005/06 and nothing has been included in our grant estimates.
46. Decisions on the specific funding for street crime reduction have been made by the Home Office on an annual basis. The 2004/05 MPA budget includes grant income of £12.5m that was matched by specific expenditure and the budget submission is based on maintaining this level of grant and expenditure. However, it is anticipated that the grant in 2005/06 will be substantially lower and the commitment given so far by the Home Office amounts to only £2.5m. When details of the actual grant are known it will be necessary to reduce both the grant and expenditure budget figures accordingly. If the reduction is as much as £10m this will clearly impact on service currently being provided and require TP to implement savings involving a reduction of police officer numbers.

## **F. Reserves**

47. The MPA maintains a general reserve to meet unforeseen or emergency expenditure which cannot be contained within the approved budget and has agreed that this reserve be established at a minimum of 1% of net budgeted expenditure, provided that there are adequate accounting provisions and earmarked reserves, reasonable insurance arrangements, a well funded budget and effective budgetary control. At 31 March 2004 the general reserve stands at £25.6 million, in line with the minimum policy level. The conditions attached to the policy are broadly satisfied and the minimum is therefore acceptable. The general reserve must not be allowed to fall below the 1% level.

48. The Authority's balance sheet also contains earmarked reserves established to meet specific expected revenue costs. The largest earmarked reserve relates to police pensions and currently amounts to £45.5 million. This is discussed further at paragraphs 50-54 below.
49. The remaining earmarked reserves at 31 March 2004 total £65.9 million but use of £23.7 million has already been assumed in finalising the budget for 2004/05. Of the remaining £42.2 million, it is currently estimated that approximately £30 million will be utilised in the current financial year and the balance in future years. At this stage no sums have been identified as not being required for the original purpose and thus available to support the funding of the 2005/06 budget.
50. The police pensions reserve requires particular consideration. The bulk of the reserve was originally built up as a provision to cover the current liability to meet the commuted lump sum pension costs of serving officers who had reached full pension entitlement and could retire at one month's notice. The provision was eventually sufficient to meet 75% of the estimated liability, a level which was acceptable to the external auditor. The implementation of FRS17 and the full disclosure of the total accrued liability in respect of police pensions on the face of the balance sheet rendered this provision redundant in accounting terms. The potential commitment to meet the commuted payments remained but the provision had to be reclassified as a reserve.
51. At the same time as the provision was being established the Finance Committee considered a report on future pension costs by actuaries Hymans Robertson. In the light of their projections the Authority agreed to build a reserve to assist in meeting the additional lump sum costs arising from an increase in officers attaining full service for retirement purposes. Sums have been set aside for this purpose in each of the last two years.
52. New financing arrangements for police pensions are likely to be introduced from April 2006 and these will have significant implications for the need to hold pensions reserves. Under the new arrangements police authorities will no longer be responsible for meeting pensions costs directly. The charge to police authorities' budgets will be by way of employers contributions to a separate pensions account whose balance will be met by Home Office grant. Police budgets will not be impacted by the volatility of commuted lump sum payments, nor by growth in the number of pensioners since the employers contributions will be calculated to reflect the accrued liability of current officers.
53. The principal reasons for maintaining pensions reserves will therefore be eliminated. There are two risks for which reserves may be required:
  - Until the Home Office produces exemplifications of the new arrangements it is impossible to assess the net impact on the MPA at the point of transition. If there was to be a net deterioration in the

Authority's financial position it might be appropriate to use reserves to help adjust to the new arrangements.

- The Authority will probably retain a degree of responsibility for the costs of ill health retirements. If it was considered that the number of ill health retirements might fluctuate in the future it may be desirable to have reserves available to smooth the costs year-on-year.

54. Without further clarification neither of these risks can be adequately assessed, although it would seem, prima facie, that they would not justify as large a reserve as currently held. In the circumstances it is proposed that the pension reserve should be applied in 2005/06 towards its stated purpose and should fund the commuted lump sum costs associated with the increased number of retirees compared with 2004/05. This would utilise approximately £11 million of the reserve and reduce the precept requirement accordingly. Further consideration of the pensions reserve should be deferred until there is greater clarification around the impact of the new financing arrangements.

#### **G. Precept Implications**

55. The precept implications of the expenditure and savings reflected in his budget submission together with the current estimates of government grant and the proposed use of reserves are summarised in the following table.

*Table 4 Summary of Precept Implications 2005/06*

	<i>2004/05 £m</i>	<i>2005/06 £m</i>	<i>Variance %</i>
Net expenditure	2,567.6	2,703.1	5.3
Specific grants	200.6	206.4	2.9
Transfer from reserves	23.7	11.0	
Budget requirement	2,343.3	2,485.7	6.1
General formula grants	1,822.0	1,913.1	5.0
Precept requirement	521.3	572.6	9.8

56. Comparison has been made with the 2004/05 budget as approved by the MPA in March 2004. This reflects late notification of specific grant for street crime together with matching expenditure.
57. This position approximates closely to the 9.9% precept increase option agreed for exemplification by the Finance Committee. The precept requirement would need to be reduced by a further £25 million to secure a precept increase of 5% and by £38 million if the precept increase was to be restricted to 2.5%.
58. The MPS Management Board consider that the extent of savings already identified in both this submission and in recent years have

placed considerable strain on the organisation in meeting the objectives set for the MPS. Further savings of this magnitude would necessarily involve reduction of police officer numbers effectively rolling back some of the progress made in delivering the Step Change programme in 2004/05.

59. The Authority has nevertheless required that work should continue to identify options for reducing the draft budget so that they can be considered as necessary once the grant settlement has been announced.
60. The cost of options for continuation of the Step Change programme would add to this precept increase. Option D included in section C of the submission, which reflects the preferred approach to the continued implementation of Step Change, would cost £39.4 million in 2005/06. This is equivalent to a precept increase of 7.6% for this purpose alone. If this were added into the budget as currently drafted the overall precept increase would be 17.4%.
61. The Government has demonstrated this year its intention to cap council tax increases which it considers excessive. The criteria for determining an excessive increase in 2004/05 were as follows:
  - in relation to the GLA group, including MPA, an increase in budget above 6.5% and council tax increase above 8.5%
  - for precepting police authorities (does not apply directly to MPA) an increase in budget above 7% and an increase in council tax above 13%.
62. All the indications from government are that the capping limits will be set at lower levels for 2005/06.
63. If the budget as currently drafted had also to incorporate the continuation of the Step Change programme on the basis currently proposed it would clearly be unsustainable in the context of council tax capping. Therefore, unless there is a substantial improvement in the Authority's grant position following the settlement compared with that assumed in the draft budget the overall budget package will have to be reduced before the submission is finalised in December.

#### **H. Medium term financial projections**

64. Schedule 5 contains medium term financial projections for 2006/07 and 2007/08. Detailed changes reflected in the projections are included in schedule 2. The following table 5 sets out a summary.

Table 5 Medium Term Financial Projections

	2005/06 £m	2006/07 £m	Change %	2007/08 £m	Change %
Net expenditure	2,703.1	2,835.1	4.9	2,944.0	3.5
Specific grants	<u>206.4</u>	<u>208.5</u>		<u>215.3</u>	
Net rev expenditure	2,496.7	2,626.6	5.2	2,718.3	3.5
Use of reserves	<u>11.0</u>	-		-	
Budget requirement	<u>2,485.7</u>	2,626.6	5.7	2,718.3	3.5

65. These projections are of limited value at this stage. They do not include any Step Change programme costs beyond those approved as part of the 2004/05 budget. There is only limited provision for other new initiatives although experience of recent budgets suggests that more will be identified during the plan period. Finally no savings are included beyond the 2005/06 year.
66. With the continuing uncertainty around grant entitlement for 2005/06, grant projections for the later two years are speculative at this stage. Taken with the incomplete nature of the expenditure projections it is not appropriate to exemplify precept implications.
67. Further work is needed to develop the medium term projections in the following areas:
- Step Change costs should be incorporated even if only on a provisional basis for the later years.
  - A thorough review is required of potential new initiatives and pressures so that a realistic provision can be included.
  - The new national efficiency strategy for the police service will require three year efficiency plans delivering at least 1.5% cashable savings per year, which should therefore be reflected in the medium term financial projections. In the case of the MPA this amounts to about £40 million.
  - More broadly, future financial constraints are likely to place a greater need on redeployment of existing resources to meet service pressures as opposed to new growth. The MPS has initiated a redirection review which will need to be developed over the coming months.
68. The Authority is in dialogue with the Mayor over the scope for creating greater certainty for future planning through a three year budget framework. This would fit with government proposals for three year grant settlements. An essential basis for three year budgets will be robust medium term financial forecasts. The Authority will need to work with the MPS to improve this aspect of its financial management.



## **I. Consultation**

69. In accordance with the Mayor's guidance the MPA is involved in wider consultation on the budget proposals in order to prepare the way for the Mayor's formal consultation in December/January. Presentations on the draft budget will be made to the London Business Board and officers of the ALG. MPA members will also meet with the ALG and specific briefing, together with the GLA, will be provided for the Society of London Treasurers.

## Summary of Technical Assumptions

### Part 1: Corporately reviewed factors

- The impact of the Police Reform agenda on police pay and allowances
- The on-going impact of the Hay review on police staff pay costs.
- The on- going implications of growth in police pensions.
- The progressive reduction in the cost of rent/housing allowance and compensatory grant.
- The progressive reduction in officers in receipt of the £1,000 allowance to compensate for housing allowance anomalies.
- The progressive effects of the increasing overall cost of the London Pay Lead for police officers.
- The full year effect in 2005/06 of the additional police officers and PCSOs in 2004/05. (Phase 1 of Step Change)
- The adjustment of forecast pay awards and latest estimates of movements in RPI.
- The on-going impact of the contract to provide free rail travel to police officers.
- An increase in employer's pension contribution costs for police staff

### Part 2: Technical assumptions pertaining to finance projections

- The starting point is the approved MPA 2004/05 budget.
- Pay awards for police officers and police staff are included at rates reflecting current expectations of negotiations
- Price inflation of 2.5% throughout the period
- General grant increases of 5% per annum throughout the period and changes in specific grants as currently known (see schedule 3)
- The revenue implications of the capital submission are reflected in the figures (excluding Phase 2 of Step Change)
- Levels of capital funding are broadly comparable with the current year, except for an increase in unsupported borrowing to fund capitalisation

### Part 3: Factors excluded from the finance projections

The projections specifically **exclude** the following:

- Costs associated with Phase 2 of the Step Change Programme.
- Any additional Police Community Support Officers funded by local authorities.
- Partnership income arrangements and associated expenditure.

## Budget Changes in 2005/06 and the Medium Term

(figures are shown as incremental)

Status	2005/06 £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
Inflation/pay awards on 2004/05 base budget	72,020	77,340	83,440	89,570
<b>Sub-Total</b>	<b>72,020</b>	<b>77,340</b>	<b>83,440</b>	<b>89,570</b>
<b>Committed increases</b> (see schedule 3.10)				
Increase in employer's superannuation contributions for police staff	24,551	1,381	1,238	800
Full year costs of Step Change Phase 1	15,626	0	0	0
Free Rail Travel	9,300	0	0	0
Police staff - Hay award increments	6,600	5,900	2,200	210
Dual running of Airwave & Metradio	6,386	(3,732)	(2,627)	(1,897)
Additional Revenue costs of C3i	5,549	3,874	(1,772)	(7,322)
Transfer of functions to the centralised traffic unit	4,500	2,700	0	0
Special Priority Payments under Police Reform	4,500	1,600	800	800
One off savings in 2004/05 reinstated (desktop support and CCTV in custody suites)	4,450	0	0	0
Cessation of Airwave grant provision	4,100	0	0	0
Revenue cost of IT Capital Programme	3,744	3,042	2,730	2,750
Effect of other Police Reform changes	3,600	2,000	300	0
Debt finance for capital programme	3,200	2,670	2,140	1,920
Increase in number of officers receiving London pay lead	2,600	2,600	2,600	3,700
Re-tendering outsourced contracts (Directorate of Information)	2,400	0	0	0
Burglary Sole Response	1,540	1,266	0	0
IT support for Modernising Operations	1,500	300	300	0
DCC (DoI) transitional outsource costs	1,050	524	0	0
Mobile Data Terminals (revenue element)	800	800	0	0
Development of victim and witness focus desks	700	0	0	1,450
PFI Unitary Charges	572	521	536	648
DNA analysis growth	569	1,254	0	0
Modernising Operations.	566	2,762	(109)	0
Career Development, Occupational Health & Health & safety	475	475	0	0
Information Management Business Change Programme (Freedom of Information Act compliance)	317	(102)	1,203	0
One off savings in 2004/05 reinstated (uniform services underspend in R&D)	200	0	0	0
Full year cost of additional accommodation at Dean Farrar Street	125	0	0	0
<b>Sub-Total</b>	<b>109,520</b>	<b>29,835</b>	<b>9,539</b>	<b>3,059</b>
<b>Committed decreases</b> (see schedule 3.11)				
Progressive reduction in housing related allowances	(5,600)	(5,200)	(5,000)	(5,000)
Estate resilience	(2,290)	0	0	290
Provision of pre-charge advice services from the CPS	(1,702)	0	0	0

Status	2005/06 £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
Counter Terrorism - Fingerprinting Team (CTFT)	(1,400)	0	0	0
Process of re-letting outsourced contracts	(1,000)	0	(1,000)	(1,900)
Equipment for firearms forensic capability	(600)	0	0	0
Transfer of Coroners' Officers from the MPS to the new Coronial Service	0	0	0	(2,500)
<b>Sub-Total</b>	<b>(12,592)</b>	<b>(5,200)</b>	<b>(6,000)</b>	<b>(9,110)</b>
<b>Efficiency and other savings</b> <i>(Listed in Schedule 3.12)</i>				
	(65,780)	0	0	0
<b>Sub-Total</b>	<b>(65,780)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>New initiatives</b> (see schedule 3.9)				
G8 meeting/ EU presidency/General election	3,000	(3,000)	0	0
NIM/CRIMINT	2,143	0	0	0
Armed Hospital Guards	1,992	0	0	0
Full year costs of Safer Schools project	1,319	0	0	0
Implementation of Genesys systems within IBO's	1,180	(177)	(702)	0
Custody Command team and restorative justice	1,176	0	0	0
New functions within the Strategic Development Programme	1,063	0	0	0
South London training site	1,030	0	0	0
Vehicle Recovery & Storage Services expansion	800	870	800	100
Olympics 2012 - Planning Team	763	0	0	0
Additional resourcing to CUSU to support new & existing C3i systems	750	0	0	0
Support to both covert & overt operations	700	1,689	914	875
Freedom of Information Act (SO)	600	0	0	0
Fees to identify solutions to need for new cells/custody centres	500	0	0	0
Criminal Justice Support to CPS at point of charge	500	0	0	0
Foundation Training (Hendon/Satellite Sites)	250	750	0	0
Fibre Optic line rental for C3i (Overt/Covert operations)	250	0	0	0
Provision of 'Tasers'	200	(400)	0	0
Custody officers (DDOs) - cessation of HO funding of present programme	0	5,700	0	0
NSPIC Case & Custody Support System	0	4,000	0	0
Aircraft Fleet replacement	0	600	255	0
Olympics 2012 - New Operational Units	0	0	0	26,000
<b>Sub-Total</b>	<b>18,216</b>	<b>10,032</b>	<b>1,267</b>	<b>26,975</b>
<b>Real Term Changes in unfunded pensions</b>				
<b>Growth in police pensions</b>	<b>14,100</b>	<b>20,002</b>	<b>10,235</b>	<b>21,687</b>
<b>Total</b>	<b>135,484</b>	<b>132,009</b>	<b>98,481</b>	<b>132,181</b>

## PROJECTED GRANT FUNDING 2004/05 - 2008/09

	Notes	2004/05 £'000	2005/06 £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
Central funding allocated by national formula (ie main police grant, RSG and NNDR)	1	1,614,982	1,695,731	1,780,518	1,869,544	1,963,021
<i>Annual increase</i>			5.0%	5.0%	5.0%	5.0%
MPS special payment	2	207,000	217,350	228,218	239,628	251,610
<i>Annual increase</i>			5.0%	5.0%	5.0%	5.0%
<b>Sub-total general grants</b>		<b>1,821,982</b>	<b>1,913,081</b>	<b>2,008,735</b>	<b>2,109,172</b>	<b>2,214,631</b>
Specific grants:						
Crime Fighting Fund	3	72,980	75,170	77,425	79,748	82,140
Pay lead grant	4	26,981	31,517	34,897	38,324	41,870
DNA expansion programme grant	5	4,600	4,600	0	0	0
Loan charges grant	6	3,500	3,400	3,300	3,100	3,000
Grant for free rail travel for police officers	7	2,500	3,081	3,081	3,081	3,081
Airwave grant	8	0	0	0	0	0
Funding for Special Priority Payments	9	10,300	14,352	14,964	15,630	16,255
Funding for counter-terrorism	10	52,200	47,000	47,000	47,000	47,000
Funding for PCSOs recruited in 2002/03	11	15,000 )	10,831	11,254	11,695	12,152
Funding for PCSOs recruited in 2003/04		0 )	3,505	3,645	3,791	3,942
Funding for PCSO recruited in 2004/05	12	0	421	437	455	473
Safer Streets	13	12,500	12,500	12,500	12,500	12,500
<b>Sub-total specific grants</b>		<b>200,561</b>	<b>206,377</b>	<b>208,503</b>	<b>215,324</b>	<b>222,413</b>
<b>TOTAL FUNDING</b>		<b>2,022,543</b>	<b>2,119,037</b>	<b>2,216,801</b>	<b>2,324,041</b>	<b>2,436,571</b>
<i>Annual increase</i>		<b>2.8%</b>	<b>4.8%</b>	<b>4.6%</b>	<b>4.8%</b>	<b>4.8%</b>

## Notes

- Assumes annual increase in formula-allocated funding at ceiling of 5%.
- MPS special payment is assumed to increase at same level as formula grant.
- Crime Fighting Fund provides full continuation funding for officers recruited 2000 to 2003 and 60% funding for officers recruited in 2003/04.
- Assumes Home Office will fund London pay lead at 75% of annual cost excluding employer's national insurance.
- Grant payments available up to 2005/06, subject to qualifying expenditure. Funding beyond that year subject to outcome of SR2004.
- This grant is paid as a contribution to costs associated with pre-1990 debt and will disappear over time.
- Home Office grant towards cost of free rail travel not expected to increase above the level agreed for 2004/05 subsequent to the budget being set.
- Assumes no further Airwave service costs grant.
- Grant to meet minimum cost of Special Priority Payments to police officers introduced under Police Reform. Reflects further switch from specific to general grant in 2005/06.
- 2004/05 grant level was subsequently confirmed as £47m to fund previous levels of CT activity and a further £12m from HO to fund additional growth. The additional expenditure of £12m has not yet been reflected in the budget and future years projections therefore assume only the on-going receipt of grant to cover 2003/04 activity levels.
- Grant for security PCSOs recruited in 2002/03 assumed to remain at 100%. Community PCSO funding reduces to 75% in 2004/05 and 50% in 2005/06 and thereafter.
- £302k grant in 2004/05 notified after budget was set.
- Safer Streets grant (and associated expenditure) assumed to continue at 2004/05 level.

## Budget Submission - Objective Summary

2004/05 budget			Business Groups:	2005/06 proposed budget		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
1,159,436	-56,804	1,102,632	Territorial Policing	1,235,354	-89,638	1,145,716
270,456	-12,627	257,829	Specialist Crime Directorate	277,077	-17,324	259,752
221,348	-64,733	156,615	Specialist Operations	233,022	-63,457	169,565
284,368	-3,605	280,763	Deputy Commissioner's Command	322,819	-4,525	318,294
273,528	-38,457	235,071	Resources Directorate	274,562	-41,456	233,106
137,792	-28,520	109,272	Human Resources Directorate	124,664	-28,554	96,110
<b>2,346,928</b>	<b>-204,747</b>	<b>2,142,181</b>	<b>Total Business Groups</b>	<b>2,467,498</b>	<b>-244,955</b>	<b>2,222,543</b>
			<b>Corporate Budgets:</b>			
368,761	-94,644	274,117	Pensions	403,777	-109,938	293,839
131,135	-6,700	124,435	Not yet allocated	180,226	-11,261	168,965
<b>499,896</b>	<b>-101,344</b>	<b>398,552</b>	<b>Total Corporate Budgets</b>	<b>584,003</b>	<b>-121,199</b>	<b>462,804</b>
<b>2,846,824</b>	<b>-306,091</b>	<b>2,540,733</b>	<b>Total MPS</b>	<b>3,051,501</b>	<b>-366,154</b>	<b>2,685,347</b>
8,949	0	8,949	MPA	9,216	0	9,216
<b>2,855,773</b>	<b>-306,091</b>	<b>2,549,682</b>	<b>Net Service Expenditure</b>	<b>3,060,717</b>	<b>-366,154</b>	<b>2,694,563</b>
16,541	0	16,541	Capital financing costs	20,604	0	20,604
0	-11,100	-11,100	Interest receipts	0	-12,060	-12,060
<b>2,872,314</b>	<b>-317,191</b>	<b>2,555,123</b>	<b>Net Expenditure</b>	<b>3,081,321</b>	<b>-378,214</b>	<b>2,703,107</b>
		-188,061	Specific Grants			-206,377
		<b>2,367,062</b>	<b>Net Revenue Expenditure</b>			<b>2,496,730</b>
		-23,762	Transfer from reserves			-11,000
		<b>2,343,300</b>	<b>Budget Requirement</b>			<b>2,485,730</b>
			<b>Funding:</b>			
		-1,822,000	Central funding			-1,913,100
		-521,300	Precept			-572,630
		<b>-2,343,300</b>	<b>Total Funding</b>			<b>-2,485,730</b>

## Budget Submission - Objective Summary (2)

Service analysis	GLA Approved Budget 2004/05 £m	Changes to budget before 2004/05 Budget Book £m	2004/05 Budget as per Budget Book £m	In-Year Revised Budget 2004-05 <sup>5</sup> £m	August forecast outturn 2004-05 <sup>5</sup> £m	Plan 2005-06 £m	Plan 2006-07 £m	Plan 2007-08 £m
<b>Business Groups:</b>								
Territorial Policing	1,102.6	47.1	1,149.7	1,149.6	1,162.6	1,145.7	1,161.5	1,161.6
Specialist Crime Directorate	257.8	9.5	267.3	267.8	275.2	259.8	262.3	262.3
Specialist Operations	156.6	5.7	162.3	163.6	172.6	169.6	166.2	166.2
Deputy Commissioner's Command	280.8	19.5	300.2	305.1	305.4	318.3	324.5	324.6
Resources Directorate	235.1	4.0	239.1	246.4	251.7	233.1	234.6	235.1
Human Resources Directorate	109.3	-15.8	93.5	91.9	89.5	96.1	97.3	97.3
<b>Total Business Groups</b>	<b>2,142.2</b>	<b>70.0</b>	<b>2,212.1</b>	<b>2,224.5</b>	<b>2,257.0</b>	<b>2,222.5</b>	<b>2,246.4</b>	<b>2,247.1</b>
<b>Corporate Budgets:</b>								
Pensions	274.1	5.9	280.1	280.1	260.1	293.8	313.8	324.1
Not yet allocated	124.4	-63.5	60.9	60.7	56.7	169.0	254.4	339.9
<b>Total Corporate Budgets</b>	<b>398.6</b>	<b>-57.6</b>	<b>340.9</b>	<b>340.8</b>	<b>316.8</b>	<b>462.8</b>	<b>568.3</b>	<b>663.9</b>
<b>Total MPS</b>	<b>2,540.7</b>	<b>12.4</b>	<b>2,553.1</b>	<b>2,565.2</b>	<b>2,573.8</b>	<b>2,685.3</b>	<b>2,814.7</b>	<b>2,911.0</b>
MPA/Internal Audit	8.9	0.1	9.1	9.9	9.9	9.2	9.2	9.2
<b>Net service expenditure</b>	<b>2,549.7</b>	<b>12.5</b>	<b>2,562.2</b>	<b>2,575.1</b>	<b>2,583.7</b>	<b>2,694.6</b>	<b>2,823.9</b>	<b>2,920.2</b>
Capital financing costs	16.5	0.0	16.5	16.5	13.0	20.6	23.3	25.4
Interest receipts	-11.1	0.0	-11.1	-11.1	-13.1	-12.1	-12.1	-12.1
<b>Net expenditure</b>	<b>2,555.1</b>	<b>12.5</b>	<b>2,567.6</b>	<b>2,580.6</b>	<b>2,583.6</b>	<b>2,703.1</b>	<b>2,835.1</b>	<b>2,933.6</b>
Specific grants	-188.1	-12.5	-200.6	-200.6	-200.6	-206.4	-208.5	-215.3
<b>Net revenue expenditure</b>	<b>2,367.0</b>	<b>0.0</b>	<b>2,367.1</b>	<b>2,380.0</b>	<b>2,383.0</b>	<b>2,496.7</b>	<b>2,626.6</b>	<b>2,718.3</b>
Transfer from reserves	-23.8		-23.8	-36.7	-36.7	-11.0		
Transfer to reserves			0.0			0.0		
<b>Budget requirement</b>	<b>2,343.3</b>	<b>0.0</b>	<b>2,343.3</b>	<b>2,343.3</b>	<b>2,346.3</b>	<b>2,485.7</b>	<b>2,626.6</b>	<b>2,718.3</b>
<b>Funding:</b>								
Central funding	-1,822.0		-1,822.0	-1,822.0	-1,822.0	-1,913.1		
Precept	-521.3		-521.3	-521.3	-521.3	-572.6		
<b>Total Funding</b>	<b>-2,343.3</b>	<b>0.0</b>	<b>-2,343.3</b>	<b>-2,343.3</b>	<b>-2,343.3</b>	<b>-2,485.7</b>		

Note:





## Metropolitan Police Authority: subjective analysis

	GLA Approved Budget 2004/05 £m	Changes to budget before 2004/05 Budget Book £m	Budget Movements and Virements £m	Inflation £m	Growth £m	2005/06 Budget Estimates £000	Main reasons for growth
<b>Employment Expenses:</b>							
Police officer pay	1,254.0	23.2	1.0	35.3	9.6	1,323.1	Special Priority Payments (£4.5m); London Pay Lead (£2.6m); other Police Reform (£3.6m); Reduction in Housing-related allowances (-£5.6m); Step change phase 1 (£4.8m); TP savings (-£4.3m); Safer Schools (£1.1m); Custody Command/Restorative Justice (£0.8m); SCD savings (-£0.5m); NIM/CRIMINT (£0.9m); armed hospital guards (£2.0m); 2012 planning team (£0.5m); DCC savings (-£0.8m); Strategic Development Programme (£0.1m)
Police staff (civil staff) pay	421.6	6.6	0.3	12.9	44.0	485.4	Hay award increments (£5.7m); Employer's superannuation contributions for police staff (£24.6m); Step change phase 1 (£4.0m); Victim and Witness Focus Desks (£0.7m); Centralised Traffic CJU (£2.3m); Custody Command/Restorative Justice (£0.2m); Burlary sole reponse (£0.9m); SCD savings (-£0.5m); NIM/CRIMINT (£0.6m); FoIA (£0.9m); 2012 planning team (£0.1m); additional revenue costs of C3i (£3.7m); DCC savings (-£1.5m); CUSU to support C3i (£0.8m); Strategic Development programme (£1.0m); Resources savings (-£0.9m); vehicle recovery & storage expansion (£0.8m); career development, Occupational Health, H&S (£0.4m); Foundation training (£0.2m)
Police staff (traffic wardens) pay	18.1	-3.3	0.0	0.4	0.3	15.5	Hay award increments (£0.3m)
Police staff (police community support officers) pay	39.2	3.2	0.0	1.7	6.3	50.4	Hay award increments (£0.6m); Step change phase 1 (£5.7m)
<b>Sub-total: pay</b>	<b>1,732.9</b>	<b>29.8</b>	<b>1.4</b>	<b>50.3</b>	<b>60.2</b>	<b>1,874.5</b>	
Police officer overtime	108.4	-2.6	0.3	3.2	1.9	111.3	Step change phase 1 (£0.3m); TP savings (-£1.0m); Safer schools (£0.1m); G8 (£2.7m); 2012 planning team (£0.1m); DCC savings (-£0.2m)
Police staff (civil staff) overtime	20.2	2.4	0.0	0.7	-0.1	23.2	DCC savings (-£0.1m)
Police staff (traffic wardens) overtime	1.7	-0.4	0.0	0.0	0.0	1.4	
Police staff (police community support officers) overtime	0.8	0.0	0.0	0.0	0.0	0.8	
<b>Sub-total: overtime</b>	<b>131.1</b>	<b>-0.6</b>	<b>0.4</b>	<b>4.0</b>	<b>1.9</b>	<b>136.7</b>	
Other	7.2	-0.9	-0.3	0.2	-0.1	6.1	Burlary sole response (£0.1m); SCD savings (-£0.1m); NIM/CRIMINT (£0.2m); DCC savings (-£0.3m)
Pensions	377.8	3.4	0.0	9.5	25.9	416.7	Pensions increase (£25.9m)
<b>Total employment costs</b>	<b>2,249.0</b>	<b>31.7</b>	<b>1.5</b>	<b>64.0</b>	<b>87.9</b>	<b>2,433.9</b>	

## Metropolitan Police Authority: subjective analysis

	GLA Approved Budget 2004/05 £m	Changes to budget before 2004/05 Budget Book £m	Budget Movements and Virements £m	Inflation £m	Growth £m	2005/06 Budget Estimates £000	Main reasons for growth
<b>Running Expenses:</b>							
Employee related	21.3	-4.2	0.0	0.5	5.6	23.2	ATOC (£6.6m); HR savings (-£1.0m)
Premises costs	199.2	-5.6	1.7	5.0	-10.9	189.3	Step change phase 1 (£1.3m); Pre-charge advice from CPS (-£0.9m); CT fingerprinting team (-£1.4m); firearms forensic capability (-£0.1m); SCD savings (-£0.3m); PFI unitary charges (£0.6m); retendering outsourced copntracts (Property Services) (£0.2m); Estate resilience (-£2.3m); capitalisation of PSD expenditure (-£5m); reduced FM expenditure (-£4.3m); Resources savings (-£0.1m); Fees to identify PPP solutions for custody centres (£0.5m); criminal justice support to CPS at point of charge (£0.5m); South London training site (£0.3m); MPA additional accommodation (£0.1m)
Transport costs	49.7	-1.8	0.2	1.3	-1.3	48.1	Pre-charge advice from CPS (-£0.2m); Burglary sole response (£0.1m); SCD savings (-£0.3m); NIM/CRIMINT (£0.1m); G8 (£0.3m); Resources savings (-£1.4m)
Supplies and services	337.6	6.6	1.0	8.7	13.3	367.2	Step change phase 1 (-£1.1m); modernising operations (£0.6m); Centralised Traffic CJU (£0.6m); MDTs (£0.8m); Pre-charge advice from CPS (-£0.7m); Burlary sole response (£0.4m); DNA analysis growth (£0.6m); firearms forensic capability (-£0.5m); SCD savings (-£5.7m); NIM/CRIMINT (£0.3m); 2012 planning team (£0.1m); Tasers (£0.2m); DCC one-off savings reinstated (£4.5m); retendering outsourced contracts (£2.4m); revenue cost of IT capital prog (£3.7m); IT support for modernising ops (£1.5m); Dual running of Airwave/ Metradio (£6.4m); cessation of Airwave grant (£4.1m); additional revenue costs of C3i (£1.9m); Dol transitional outsource costs (£1.1m); capitalisation of Dol expenditure (-£5.2m); other DCC savings (-£7.4m); fibre optic line rental for C3i (£0.3m); implementation of Genesys within IBOs (£1.2m); support to covert/overt ops (£0.7m); process of reletting outsourced contracts (-£1m); ATOC PAYE settlement agreement (£2.7m); South London training site (£0.7m)
Capital financing costs	16.5	0.0	0.0	0.0	4.1	20.6	Step change phase 1 (£0.9m)
MPA contingency	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Total running expenses</b>	<b>624.3</b>	<b>-5.0</b>	<b>2.8</b>	<b>15.5</b>	<b>10.7</b>	<b>648.4</b>	
Not yet allocated	-1.0	0.0	0.0	0.0	0.0	-1.0	
<b>Total revenue expenditure</b>	<b>2,872.3</b>	<b>26.7</b>	<b>4.3</b>	<b>79.4</b>	<b>98.6</b>	<b>3,081.3</b>	
Interest receipts	-11.1	0.0	0.0	0.0	-1.0	-12.1	Increase in investment income (-£1.0m)
Other income	-306.1	-14.2	-4.3	-7.4	-34.2	-366.2	Step change phase 1 pension contributions (-£0.3m); other pension contributions (-£11.8m); Centralised Traffic CJU (£1.6m); decriminalisation of red routes (-£16m); other TP savings (-£2.5m); SCD savings (-£2.5m); SO savings (-£0.8m); DCC savings (-£0.9m); Resources savings (-£0.9m)
<b>Total income</b>	<b>-317.2</b>	<b>-14.2</b>	<b>-4.3</b>	<b>-7.4</b>	<b>-35.1</b>	<b>-378.2</b>	
<b>Net revenue expenditure before specific grants</b>	<b>2,555.1</b>	<b>12.5</b>	<b>0.0</b>	<b>72.0</b>	<b>63.5</b>	<b>2,703.1</b>	

New Initiatives

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
1	G8 Summit / EU presidency / General Election 2005 – Protection and Aid duties						3,000			(3,000)						
<p><b>Detail:</b>                      The 2005 G8 Summit will be held in Gleneagles, Perthshire from July 6-8 2005. Although the scale of protection activity required is not yet known, SO will be required to assist Tayside Police with protection for visiting dignitaries from the G8 members as well as continuing protection of existing UK principals attending the summit.</p> <p>In addition to protection duties there are likely to be further aid requests from Tayside Police, which will impact upon both SO and TP, with the implication of having to backfill posts.</p> <p>Significant additional costs are expected in police overtime and travel.</p>								<p><b>Expected service improvements and effect on key performance indicators:</b>                      N/A - One off work.</p>								
<p><b>Support for strategic goals and aims of “Towards the Safest City”:</b>                      Minimise the risk to life and property from terrorist activity</p> <ul style="list-style-type: none"> <li>• provide personal protection for persons considered to be at threat.</li> <li>• provide protection to high profile targets and venues at threat</li> <li>• supply counter terrorism security advice</li> </ul>								<p><b>Support for Mayoral Priorities:</b></p>								

## Schedule 9 – New Initiatives

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
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2	National Intelligence Model	10		398	14	17	2,143									
<p><b><u>Detail:</u></b>            SCD9 was set up to implement, maintain and develop the National Intelligence Model (NIM). Since its inception by Management Board in 2002 it has never been fully funded within SCD.</p> <p>NIM is the strategic tool that allows the MPS align resources based on an intelligence led assessment of operational activities across London</p> <p>This bid seeks to properly fund the units within SCD9 that support NIM across the MPS, namely;</p> <ul style="list-style-type: none"> <li>Corporate Intelligence Development Unit (CIDU) - This unit leads on the implementation, development and management of NIM across the MPS. It also deals with all aspects of policy on Intelligence and NIM.</li> <li>Central Management Unit (CMU) - This new unit will deal with the management of MPS intelligence systems including the introduction of Crimint Plus. It will also pick up the management functions currently performed by BOCUs when Crimint Plus is implemented. The introduction of Crimint Plus is essential to ensuring the MPS is NIM complaint, and in addressing one of the key recommendations of the Bichard Inquiry.</li> <li>Office for the Analyst Profession – Will support, develop and act as a professional lead for the analysts currently working across the organisation in direct support of NIM.</li> </ul>								<p><b><u>Expected service improvements and effect on key performance indicators:</u></b>            Some of the significant achievements in the implementation of NIM across the MPS include:</p> <ul style="list-style-type: none"> <li>SCD reducing the number of open operations from over 500 down to about 130 which are now monitored and reviewed on a regular basis</li> <li>Boroughs that have invested in their intelligence units have achieved significant reduction in volume crime, achieving their performance targets, e.g. Tower Hamlets and Lambeth</li> <li>An increase in the analytical capability across all OCUs with the recruitment of about 185 analysts over the last 12 months</li> <li>Improved tasking and co-ordination between boroughs and other agencies, e.g. the identification of travelling street robbers through liaison with British Transport Police</li> <li>The introduction of tactical meetings at the Corporate and Business Group levels</li> <li>The ability of Boroughs to elevate those operations/problems beyond their capability to Business Group level, e.g. the emergence of extreme violence by distinct groups within local communities in parts of London</li> <li>The ability of Business Groups to elevate those operations beyond their capability to the corporate level e.g. Operation Minstead.</li> </ul>								
<p><b><u>Support for strategic goals and aims of “Towards the Safest City”:</u></b></p> <p>The implementation of NIM supports all the strategic goals but is most directly linked to developing safer communities and reforming the delivery of policing services.</p>								<p><b><u>Support for Mayoral Priorities:</u></b></p> <p>The manifesto proposals on a real time reporting system and the targeting of police resources.            Other initiatives designed to deliver improvements in public confidence in policing for all London’s communities and improve all Londoners’ feelings of safety and security.</p>								

## Schedule 9 – New Initiatives

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3	Armed Hospital Guards	23		996	46		1,992									
<p><b><u>Detail:</u></b>            Currently there are 23 Armed Hospital Guards, which equates to one hospital guard run over a 24hr period.</p> <p>The reality is the number of guard runs that SO16 are required to cover have increased and are currently approaching, on average, nearly three per week. Indeed this occurs despite efficient management and pro-active reviews of their requirement.</p> <p>Currently the guard runs are met with existing resources, necessitating a knock on increase in overtime levels.</p> <p>This bid is for 46 officers to cover the increased demand for guard runs.</p>								<p><b><u>Expected service improvements and effect on key performance indicators:</u></b></p>								
<p><b><u>Support for strategic goals and aims of “Towards the Safest City”:</u></b></p> <p>To reduce the level of gun enabled crime</p> <ul style="list-style-type: none"> <li>provide armed protections to victims of crimes at hospitals</li> </ul>								<p><b><u>Support for Mayoral Priorities:</u></b></p>								

## Schedule 9 – New Initiatives

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4	Expansion of the Safer School Partnership Initiative				30		1,319									
<p><b>Detail:</b>            By December 2004 there will be 130 officers working in schools across London under the Safer Schools Partnership (SSP) umbrella.</p> <p>Of this total, 30 officers are being funded from Safer Streets monies in 2004/05, but funding is on a one-year basis only. The full cost will need to be met from MPS resources from 2005/06 onwards. Therefore, there is a need to fund an additional 30 officers (PCs) to work within the school environment, closely aligned to the Safer Neighbourhood programme.</p>								<p><b>Expected service improvements and effect on key performance indicators:</b>            There are clear long term and short-term benefits associated with this initiative. The partnership between the school head, Governors and PTA to support officers in schools has a positive effect on reducing bullying, anti social behaviour in and around the school, and impacting on truancy. Involving a police officer as a role model in the early stages of a young person's life does have an impact on the young people themselves.</p> <p>The SSP is an integral part of the Prime Ministers Crime Action Group designed to reduce street robberies and related crime. There is evidence that CAD (999) calls are significantly reduced at peak times from 3 to 4pm and that crime in and around schools has fallen, attendance has improved and anti-social behaviour to and from schools and in schools has fallen. This whole initiative involves many different partners working closely together (Dept. for Education &amp; Skills (DfES), Youth Justice Board, Association of Chief Police Officers (ACPO), Chief Education Officers and Head Teachers)</p> <p>Reassurance of young people in the school environment is high with 78% of young people saying they feel safer as a result of a police officer being in their school (Source: DfES).</p>								
<p><b>Support for strategic goals and aims of "Towards the Safest City":</b></p> <p><b>Goal 2: To Safeguard Children and Young People from physical and sexual abuse.</b>            Placing officers in schools acts as a deterrent to reduce bullying, and makes schools, and their surrounding area safer for young people.</p> <p><b>Goal 3: To improve Neighbourhood Safety</b>            Focusing SSP's alongside the Safer Neighbourhoods Programme will have a significant impact on reducing anti-social behaviour in and around the school, as well as improving the flow of community intelligence.</p>								<p><b>Support for Mayoral Priorities:</b>            Reducing anti social behaviour in and around London's Schools.</p>								

## Schedule 9 – New Initiatives

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5	Implementation of Systems Management within IBO's						1,180			(177)			(702)			0
<p><b><u>Detail:</u></b>            As a result of the C3i programme, CAD rooms in boroughs throughout the MPS will be closed. A number of systems which are currently operated from/terminate at the CAD room – e.g. town centre CCTV, security CCTV, access control systems and panic alarms – will be moved into the new Integrated Borough Operations (IBOs). The system has been identified to integrate these systems and allow them to be controlled from a single workstation. This bid provides for the phased implementation and ongoing support of systems into the Borough IBOs.</p>								<p><b><u>Expected service improvements and effect on key performance indicators:</u></b>            Streamlined management of CCTV and security functions.</p>								
<p><b><u>Support for strategic goals and aims of “Towards the Safest City”:</u></b></p>								<p><b><u>Support for Mayoral Priorities:</u></b></p>								

## Schedule 9 – New Initiatives

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
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6	Custody Command and Restorative Justice				16	8	1,176									
<b>Detail:</b>								<b>Expected service improvements and effect on key performance indicators:</b>								
<p>To establish a pan-London Custody Command and dedicated Restorative Justice Team, for the MPS in order to:</p> <ul style="list-style-type: none"> <li>Develop a system of co-ordinating custody facility provision and availability together with associated management information</li> <li>Update and review MPS custody review demand forecasts and develop a custody strategy, embedded in the MPS strategy, for each BOCU</li> <li>Undertake strategic planning of custody refurbishment and new-build programmes</li> <li>Develop custody partnership liaison and co-ordination including a custody Independent Advisory Group (IAG)</li> <li>Develop corporate custody policy and standards including the professionalisation of custody staff roles.</li> <li>Formalise the existing Restorative Justice pilot project to enable the MPS to continue to provide closure for victims and witnesses at the conclusion of their cases and to enable this to be used within the new “Conditional Cautioning” arrangements arising out of the Criminal Justice, Act 2003.</li> <li>To support the governmental objective (PSA2) of bringing more offenders to justice by improving our early interventions/investigations and administration as well as supporting victims and witnesses through the Criminal Justice processes.</li> </ul>								<p>Anticipated service improvements of the custody command include:</p> <ul style="list-style-type: none"> <li>Greater custody capacity so that supply appropriately meets demand</li> <li>Enhanced quality of MPS service to detainees through improved efficiency of custody systems and custody capacity</li> <li>Enhanced service to arresting officers and other users of custody.</li> </ul> <p>Effect of key performance indicators will be increased public confidence through improvement in processing of detainees, quicker return of officers to patrol and potential release of sergeants for operational deployment.</p> <p>The Restorative Justice project aims to test the effects of a restorative justice process as an alternative to prosecution for adult offenders who admit to moderately serious crimes and who are eligible for a conditional caution. The project concentrates now on burglary, robbery and criminal damage and it is anticipated that this approach will reduce re-offending, thereby having a beneficial impact on key performance indicators.</p> <p>Research has also shown an increase in victim satisfaction as a result of taking part in the process, rather than going through a court process, and an increase in confidence in police bringing offenders to justice. By offering a diversion from court, the restorative justice process leads to more admissions, which will contribute to achieving the Offenders Brought to Justice targets.</p>								
<b>Support for strategic goals and aims of “Towards the Safest City”:</b>								<b>Support for Mayoral Priorities:</b>								
<p><b>Goal 1: Developing Safer Communities</b>            Improve our partnerships with other voluntary, public and private organisations to help fight crime and improve the quality of life.</p>								<p>The implementation of the Mayor’s Equalities for All service improvement plan, in particular the Mayors disability scheme.</p> <p>Plans to free up officers from front line duty by, where appropriate,</p>								



## Schedule 9 – New Initiatives

Improve how we consult communities (particularly those that are vulnerable or hard to reach).

Protect vulnerable victims, including children and victims of rape, domestic violence and hate crimes (such as racist and homophobic crime).

### **Goal 3: Revitalising the Criminal Justice System**

Change our working practices to improve the services given to victims and witnesses.

Enhance our ability to work with other agencies within the criminal justice system.

Improve the accuracy and timeliness of papers, documents and evidence.

Actively support reform of the criminal justice system.

### **Goal 4: Developing a Professional and effective Workforce**

In line with the aims and objectives of the MPS Diversity Strategy we will recruit, train and retain an extended policing family of employees reflecting the diversity of London.

Create an environment in which the talents, skills and experiences of our diverse workforce are able to enhance and support operational demands.

Provide our staff with the most appropriate working conditions, environmentally friendly facilities and equipment to help achieve our goals.

Introduce new approaches to work, with particular regard to shift patterns, part-time working, home working and family-friendly policies.

### **Goal 5: Reforming the Delivery of Policing Services**

Become more responsive to people's needs regarding the services they receive from us and how those services are provided.

Deliver more services electronically to the public and our partners.

using police staff for back room posts covered by police officers.

Other initiatives designed to deliver improvements in public confidence in policing for all London's communities and improve all Londoners' feelings of safety and security.

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7	Growth for new functions within the Strategic Development Programme, including new statutory requirements				1	23	1,063									
<p><b>Detail:</b>            Additional posts and funding are needed:</p> <ul style="list-style-type: none"> <li>to deal with new statutory requirements (criminal justice data including offenders brought to justice &amp; failure to appear, warrants, COZART drugs testing data, expanded Annual Data Return under Policing Performance Assessment Framework (PPAF), additional PPAF surveys of non-crime police contact);</li> <li>to manage implementation of the National Incident Recording Standard and monitor compliance;</li> <li>to deal with anticipated statutory requests for management / performance information under the Freedom of Information (Fol) Act;</li> <li>to implement MetMIS, the MPS element of a national management information system;</li> <li>to deal with new work areas (activity based costing &amp; data quality);</li> <li>to set up the new Corporate Change Coordination Unit that will:               <ul style="list-style-type: none"> <li>drive the MPS's Portfolio Management activity in support of the Deputy Commissioner and Management Board</li> <li>provide a framework for the management of strategic change</li> <li>manage the 'Centre of Excellence' function in line with the Office of Government Commerce framework</li> </ul> </li> </ul>								<p><b>Expected service improvements and effect on key performance indicators:</b>            Ability to complete statutory returns; enhanced confidence in key performance indicators.            More efficient production of information.            Compliance with FoI responsibilities.</p> <p>The purpose of the Change Coordination function is to provide a framework for the better alignment of major change programmes with MPS strategy, their better management at a strategic level and ensuring the delivery of real benefits. The MPS currently runs too many poorly aligned programmes – the Change Coordination process is expected to ensure the development of more cost effective strategic change that is less disruptive of service delivery activity. This approach will also support the developing efficiency agenda and compliance with FoI responsibilities.</p>								
<p><b>Support for strategic goals and aims of “Towards the Safest City”:</b>            All new statutory requirements reflect national priorities. The Towards the Safest City aim 'revitalising the criminal justice system' is supported by several of these new requirements.            The Change Coordination Unit will support the development of a better aligned portfolio of strategic change that will more effectively deliver on the national, MPA and MPS goals. A more controlled approach to the initiation, management and delivery of major change programmes will also ensure better use of resources - this supports the need to free up resources to support front-line services.</p>								<p><b>Support for Mayoral Priorities:</b></p>								

## Schedule 9 – New Initiatives

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8	South London Training Site						1,030									
<p><b><u>Detail:</u></b> This is a requirement for a new MPS Training Centre in the South London area to alleviate the pressure on the facilities at the Peel Centre, Hendon.</p>								<p><b><u>Expected service improvements and effect on key performance indicators:</u></b> The new site will reduce waiting times for courses and also improve training accessibility for students, particularly those living south of London.</p>								
<p><b><u>Support for Policing Plan priorities/strategic goals and aims of “Towards the Safest City”:</u></b> Goal 4 – Developing a Professional and Effective Workforce</p>								<p><b><u>Support for Mayoral Priorities:</u></b> Increase the number of Police Officers and Police Community Support Officers</p>								

## Schedule 9 – New Initiatives

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9	Vehicle Recovery & Examination Services expansion	2	86	5,288		25	800		27	870		25	800			100
<b><u>Detail:</u></b>								<b><u>Support for Policing Plan priorities/strategic goals and aims of “Towards the Safest City”:</u></b>								
<p>Growth posts are required for the second, third and fourth Vehicle Recovery and Examination Service (VRES) sites. We anticipate 50% growth in demand in 2004-2005, a further 33% growth in 2005-2006 and further growth in 2006 - 2007. This is the result of a change in policy – VRES to include all lost and stolen vehicles, increased number of vehicles for forensic examination and an increased number of those involved in serious accidents.</p> <p>The £100k for 2008-09 relates to the expansion of the auto crime intelligence unit.</p> <p>Their role would be: -</p> <ol style="list-style-type: none"> <li>Undertaking auto crime inspections,</li> <li>Criminal intelligence gathering</li> <li>Compilation of Crime Tasking docketts</li> <li>Executing arrest warrants.</li> </ol> <p>The £5.3m base budget is the net revenue budget for all activities performed and income received by VRES.</p>								<p><b>Goal 1: Developing Safer Communities</b></p> <p><i>Aims</i></p> <ul style="list-style-type: none"> <li>Focus on local crime and disorder priorities within a common policing model.</li> <li>Disrupt organised crime and criminal activity on a London-wide and inter-force basis, particularly murder, human trafficking, gun-crime and crime related to hard drugs.</li> <li>Improve our partnerships with other voluntary, public and private organisations to help fight crime and improve the quality of life.</li> <li>Introduce the extended 'policing family' to provide reassurance and reduce the incidence of anti-social behaviour by sustaining high visibility policing.</li> <li>Contribute to the achievement of a safe environment for all road users.</li> </ul> <p><b>Goal 2: Securing the Capital against Terrorism</b></p> <p><i>Aims</i></p> <ul style="list-style-type: none"> <li>Enhance the collection of intelligence to inform our counter terrorist activities.</li> </ul> <p><b>Goal 5: Reforming the Delivery of Policing Services</b></p> <p><i>Aims</i></p> <p>Focus on meeting the needs of service users, delivering services locally where beneficial and ensuring clear lines of accountability for the results.</p>								
<b><u>Consequences of Not Obtaining Funds:</u></b>								<b><u>Support for Mayoral Priorities:</u></b>								
<p>The revenue increases in budget have been based on estimates for actual expenditure and income over the next four years. If additional funding is not forthcoming it will take longer to acquire subsequent car pounds 2, 3 and 4. This is because without the staff to run pound 2 it will be difficult to realise the increased income necessary to refurbish pound 3, and so on.</p>								<p>Transport Strategy Red route removals Enhance Road Safety campaign Removal of abandoned vehicles from streets.</p>								

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10	2012 Olympics Planning Team				9	3	763	0			0			0		
<b>Detail:</b> The 2012 Olympics would be a major event for London and the UK. One of the key issues for a successful bid is security. Accordingly, it is vital that there is a planning team to work with the 2012 Committee.								<b>Expected service improvements and effect on key performance indicators:</b>  N/A								
<b>Support for strategic goals and aims of “Towards the Safest City”:</b> To minimise the risk to life and property from terrorist activity in London.								<b>Support for Mayoral Priorities:</b> Supporting London’s 2012 Olympic bid								

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11	Additional resourcing to CUSU and other resource costs	7	9	850	1	10	750									
<b>Detail:</b> Additional resourcing for the Communication User Support Unit (CUSU) to enable the delivery of business user support capability to underpin new & existing C3i systems – e.g. CAD, Mobile Data Terminals & Airwave. This support function will be crucial during transition and beyond into steady state. The additional staff consist of 1 x C/I, 7 x Band D’s and 3 Band F’s.								<b>Expected service improvements and effect on key performance indicators:</b> This unit will provide vital technological support to the users of C3i systems. Therefore the benefits to the organisation and its’ performance are those already identified within the C3i business case.								
<b>Support for strategic goals and aims of “Towards the Safest City”:</b> The C3i service will directly support the strategic goals of the MPS in providing a communication and resource deployment service to the whole organisation. The new enhanced CUSU service will underpin the technologies used in providing this service.								<b>Support for Mayoral Priorities:</b> As detailed.								

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12	Support to both covert & overt operations and development of emerging technology		195	17,435			700		7	1,689		7	914		6	875
<p><b><u>Detail:</u></b>            The Operational and Technical Support Unit (OTSU) within the Directorate of Information (DoI) is tasked with providing technological support directly to frontline policing. The remit covers both immediate operational support and the development and release of potential emerging technologies. The Emerging Technologies work stream will develop strategies and processes for the assessment and testing of developments in technology, to make the Service aware of potential applications and introduce approved developments into service.</p> <p>The MTFP bid encompasses the expected growth in support and maintenance costs for projects delivered into service by the OTSU – covering both staff and non-pay costs – as well as growth in the emerging technology workstream. The growth in in-car technology (e.g. Provida) is likely to lead to the need for provision of a maintenance area north of the Thames – an estimate of equipping costs has been made in the bid for 2007-08. In addition, funding is required in 2006-7 for the urgent replacement of explosive ordinance disposal (EOD) wheelbarrows.</p>								<p><b><u>Expected service improvements and effect on key performance indicators:</u></b>            Improved management of the introduction of emerging technological solutions into front-line policing.</p> <p>Ongoing improvements to surveillance, search and detection capabilities in line with wider developments in technology.</p>								
<p><b><u>Support for strategic goals and aims of “Towards the Safest City”:</u></b>            These expenditures directly contribute to:</p> <ul style="list-style-type: none"> <li>• Developing Safer Communities</li> <li>• Securing the Capital Against Terrorism</li> </ul>								<p><b><u>Support for Mayoral Priorities:</u></b>            These expenditures enable the Technology Group to continue its work in supporting the police in dealing with terrorism and other catastrophic events. The Emerging Technologies team will continue to target developments in technology that increase the productivity of police officers and release police officers for front-line duties.</p>								

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13	Freedom of Information Act (FoIA) – SO	-	-			20	600									
<p><b><u>Detail:</u></b>            FoIA goes live on the 1st January 2005 and all planning to date within SO has been on the basis of nil growth. At this point it is impossible to predict how many requests will be made but experience elsewhere in the world indicates that take-up could be considerable and ongoing. A need for up to 2 police staff per OCU in SO and an additional need for 6 staff plus IT, accommodation, furniture etc for Single Point of Contact in SO.</p>								<p><b><u>Expected service improvements and effect on key performance indicators:</u></b>            The legislative response time of 20 working days is clearly stated and there will be an expectation that this will be met, regardless of the volume of requests received. The number of requests and time taken to respond will be measured by the software under development to support the MPS response to FoIA.</p>								
<p><b><u>Support for strategic goals and aims of “Towards the Safest City”:</u></b>            Development of a professional and effective workforce – Ensure leaders listen and are visible to London’s communities and staff. Failure to respond to reasonable, correctly submitted requests from the public sector and/or staff might imply that this was not happening.</p>								<p><b><u>Support for Mayoral Priorities:</u></b></p>								

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		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
14	Fees to identify solutions to need for new cells/custody centres			0			500									
<p><b><u>Detail:</u></b>            Priority is to invest in improved custody suites possibly in partnership with Greater London Magistrates Court Authority.</p> <p>This bid is for development fees to investigate options for practical solutions and bring them to fruition.</p>								<p><b><u>Expected service improvements and effect on key performance indicators:</u></b>            To meet service improvement review and address cell shortages across the Service. It will impact across TP Key Performance Indicators. Fees to procure solutions only in phase 1.</p>								
<p><b><u>Support for strategic goals and aims of “Towards the Safest City”:</u></b></p>								<p><b><u>Support for Mayoral Priorities:</u></b>            Making London safer by developing the estate to meet operational needs and placing more officers on the streets.</p>								



## Schedule 9 – New Initiatives

Item	Description	2004-05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
15	Criminal Justice support to CPS at point of charge						500									
<p><b>Detail:</b> This bid is to fund joint partnership initiatives with the Crown Prosecution Service to support this service at point of charge.</p> <p>Such initiatives increase revenue expenditure in respect of accommodation-related requirements.</p>								<p><b>Expected service improvements and effect on key performance indicators:</b> Property Support to CPS at point of charge and Operation Emerald (TP) requirements</p>								
<p><b>Support for strategic goals and aims of “Towards the Safest City”:</b> Goal 3 Revitalising the Criminal Justice System Change working practices to improve services given to victims and witnesses</p> <p>Enhance our ability to work with other agencies within the Criminal Justice System.</p> <p>Part of Criminal Justice programme and unavoidable cost of meeting concordant costs with CPS signed by the Commissioner. Meets “equivalence” costs agreed by MPA June 2003 – policy.</p> <p>Changing to improve services will result in better support for victims and witnesses making them feel safe, secure and willing to make statements and testify, resulting in successful prosecutions and safer streets.</p> <p>Enhancing abilities to work in conjunction with other agencies within the criminal justices system, outside constabularies and establishments would increase communication, flow of critical information and open opportunities to share and receive specialist knowledge. Improving accuracy and timeliness of papers, documents and evidence would help in following statutory procedure. This will assist the CPS so charges will lead to successful convictions.</p> <p>Reform of the Criminal Justice system will bring all parties involved within prosecutions closer and help to ensure that all cases that are brought to trial are successful and fair.</p>								<p><b>Support for Mayoral Priorities:</b> Increases the safety and security of London’s many diverse communities.</p>								

## Schedule 9 – New Initiatives

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
16	Foundation Training (Hendon/Satellite Sites)	165		7,549		5	250		15	750						
<p><b>Detail:</b> The temporary downsizing of Recruit School in 2004-05 related to recruit numbers dropping to 1,858 from 3,600. Recruit levels are expected to increase from 2005-06 and then peak in 2007-08, requiring an increase in the number of trainers. A further influencing factor is the planned modernisation of probationer training that may include the delivery of training from satellite training delivery centres. This could pose issues of resilience based on current trainer numbers.</p>								<p><b>Expected service improvements and effect on key performance indicators:</b> Better trained officers, using full range of officers, with fewer errors; resulting in better customer satisfaction, fewer complaints and less compensation in legal action</p>								
<p><b>Support for strategic goals and aims of “Towards the Safest City”:</b> Goal 4 – Developing a Professional and Effective Workforce</p>								<p><b>Support for Mayoral Priorities:</b> N/A</p>								

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
17	Fibre optic line rental for C3i programme			0			250									
<p><b>Detail:</b> The C3i centres at Lambeth, Hendon and Bow will require new fibre optic lines to feed the video systems.</p>								<p><b>Expected service improvements and effect on key performance indicators:</b> Supports the service improvements expected from the C3i programme.</p>								
<p><b>Support for strategic goals and aims of “Towards the Safest City”:</b> The system supports the police in the efficient and effective policing of London.</p>								<p><b>Support for Mayoral Priorities:</b></p>								

## Schedule 9 – New Initiatives

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
18	Provision of 'Tasers'			200			200			(400)						
<p><b>Detail:</b>            Increased costs to cover the extension of the Taser trial pending the Home Office decision on the future roll-out. Following a successful conclusion of the year long trial period, ACPO approached the Home Office and proposed that the trial be extended and Tasers be made available to all police forces, within the same guidelines that have been in place within the five trial forces for the preceding period. Furthermore, Tasers should be made available to other suitably trained specialist officers within the trial forces and deployed to a wider range of incidents to include those incidents where an officer may have to face serious violence or the threat of serious violence. At the conclusion of the year trial and pending the Home Office decision, the trial continued in the same format.</p>								<p><b><u>Expected service improvements and effect on key performance indicators:</u></b></p>								
<p><b><u>Support for strategic goals and aims of "Towards the Safest City":</u></b></p> <p>Developing a Professional and Effective Workforce – To provide our staff with the most appropriate working conditions, environmentally friendly facilities and equipment to help achieve our goals.</p> <p>Providing non-lethal weapon response and support to BOCUs.</p>								<p><b><u>Support for Mayoral Priorities:</u></b>            Making London the Safest City.</p>								

## Schedule 9 – New Initiatives

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
19	Civilianisation of Custody Officers using designated detention officers								177	5,700						
<p><b>Detail:</b>                      The Home Office is currently providing funding for drug testing, which has been used by the MPS to purchase 177 Designated Detention Officers (DDOs). This funding is only available for 2 years until 31<sup>st</sup> March 2006. They undertake the drug testing of prisoners who have been charged with trigger offences in support of the Governments criminal justice implementation programme (CJIP). The programme is hailed as the most successful across the country and the MPS are hitting their drugs testing targets in advance of all expectations.</p> <p>By making the officers designated, they also undertake custody duties from the point the detainee arrives through to when they leave the police environment, thus releasing police officers to undertake other operational duties.</p> <p>The funding required would allow the MPS to continue to have a minimum of 177 DDOs though the number funded by Home Office will rise after round three bidding to approximately 250, to cover approximately 22 BOCUs. This bid does not cover the cost of extending the scheme to all boroughs.</p>								<p><b>Expected service improvements and effect on key performance indicators:</b></p> <ul style="list-style-type: none"> <li>• Enable custody officers to take a management role in the custody suite without being distracted by unnecessary paperwork;</li> <li>• Provide a better service to stakeholders (solicitors, forensic medical examiners, independent custody visitors);</li> <li>• Enable prisoner processing teams to focus on gathering evidence and case file preparation;</li> <li>• Assist in the administration of 'investigative bail' cases;</li> <li>• Release sergeants and constables to perform their core functions.</li> </ul>								
<p><b>Support for strategic goals and aims of "Towards the Safest City":</b></p> <p><b>Goal 3: To improve Neighbourhood Safety</b>                      Maximising the support to the Safer Neighbourhoods Programme by identifying positions currently 'worked' by police officers to professionalise the role and release officers to Safer Neighbourhood areas.</p> <p><b>Goal 4: Developing a Professional and effective Workforce</b>                      Maximise the number of staff in the policing family and deploy them to increase the proportion of 'Visible Operational Uniformed Personnel' across London. This will include PCSOs, DDOs and SROs.                      Provide our staff with the most appropriate working conditions, environmentally friendly facilities and equipment to help achieve our goals.</p> <p><b>Goal 5: Reforming the Delivery of Policing Services</b>                      The use of central staff to drive the change process forwards in all areas of the extended police family as well as the Safer Neighbourhoods agenda.</p> <p>It also supports the objective of revitalising the criminal justice system.</p>								<p><b>Support for Mayoral Priorities:</b></p> <p>Creating Safer Neighbourhoods and engagement of communities to reduce crime and disorder.</p>								

## Schedule 9 – New Initiatives

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
20	National Strategy for Police Information Systems - Case and Custody Support system									4,000						
<b><u>Detail:</u></b> The organisation has committed to implement the national case and custody system (NSPIS), which is being funded by the Home Office. However the maintenance costs are only covered for the 2005/06 financial year and no decision has been taken for funding future years. This bid has been made on the basis that no additional funding will be made available								<b><u>Expected service improvements and effect on key performance indicators:</u></b>								
<b><u>Support for strategic goals and aims of “Towards the Safest City”:</u></b> Supports goal 3 – Revitalising the criminal justice system								<b><u>Support for Mayoral Priorities:</u></b>								

## Schedule 9 – New Initiatives

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
21	Aircraft Fleet Replacement								2	600			255			
<p><b>Detail:</b>            The MPS Aircraft Support Unit (ASU) is increasingly expected to be capable of conducting an ever-widening spectrum of tasks in support of Territorial Policing, public order and counter terrorist incidents.</p> <p>The versatility, flexibility and capabilities of rotary wing platforms, combined with search sensors and evidential recording equipment have contributed enormously to increased crime detection, crime reduction and counter terrorism initiatives. The aircraft are force multipliers, in that their attendance at tasks increases the effectiveness of ground units.</p> <p>The ASU fleet replacement programme introduces three new helicopters to replace the ageing aircraft introduced into service between 1993 and 1996. The current helicopters have become less reliable and provide less availability than at any time since their purchase. Because the new machines are of a different category, the engineering formula demands additional skilled MPS personnel to enable the mandatory scheduled and unscheduled, maintenance to be carried out. A full business case was presented to the MPA on 23rd September and approval given to approach Home Office for capital funding.</p>								<p><b>Expected service improvements and effect on key performance indicators:</b>            Based on evidence gathered during the evaluation process and set out in the business case, a number of significant efficiency benefits would accrue with a change of aircraft, such as opportunities to reduce the time that an aircraft is unavailable for operational purposes by up to 50%.            New aircraft will also provide 'opportunity cost savings' which will be achieved through the enhanced capability and improved performance of the latest generation of aircraft. Depending on the aircraft chosen, flying hours spent re-positioning the aircraft could be significantly reduced and made available for operational tasking.</p>								
<p><b>Support for strategic goals and aims of "Towards the Safest City":</b></p> <p><b>Goal 1: Safer Communities.</b></p> <ul style="list-style-type: none"> <li>Supporting BOCU's by focusing upon local crime &amp; disorder priorities by targeted patrols</li> <li>Disrupting organised crime London wide &amp; inter-force</li> <li>Working in partnership with public organisations to help fight crime</li> </ul> <p><b>Goal 2: Securing the Capital against Terrorism</b></p> <ul style="list-style-type: none"> <li>ASU are tasked in connection with all aims in goal 2</li> </ul> <p><b>Goal 4: Professional &amp; Effective Workforce</b></p> <ul style="list-style-type: none"> <li>The talents, skills &amp; experiences of the MPS ASU workforce enhance and support operational demands</li> <li>Staff are provided with most appropriate conditions to help achieve our goals</li> <li>New working practices developed to support staff.</li> </ul>								<p><b>Support for Mayoral Priorities:</b></p> <ul style="list-style-type: none"> <li><b>Plans for dealing with terrorism &amp; other catastrophic events:</b> The ASU is a core London Emergency Services Liason Panel resource.</li> <li><b>The London 2012 Olympic bid:</b> Replacement airframe specification has a multi function capability aligned with the bid</li> <li><b>Initiatives designed to improve London communities feelings of safety &amp; security:</b> ASU is in partnership with British Transport Police to reduce vandalism and graffiti and improve passenger safety.</li> </ul>								

## Schedule 9 – New Initiatives

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
22	2012 New Operational Demands															26,000
<p><b><u>Detail:</u></b>            The 2012 Olympics, if it is held in London, would have major implications for SO protection and security advice and for TP for High Visibility Patrols. The full extent of the implications will start to set once the bidding process develops. Initial thoughts are that areas such as protection would need to grow in officer numbers in 2008-9 to be ready for the 2012 games.</p>								<p><b><u>Expected service improvements and effect on key performance indicators:</u></b>            N/A</p>								
<p><b><u>Support for strategic goals and aims of “Towards the Safest City”:</u></b>            To minimise the risk to life and property from terrorist activity in London.</p>								<p><b><u>Support for Mayoral Priorities:</u></b>            Supporting London’s 2012 Olympic bid</p>								

## Schedule 10 – Committed Increases

### Committed Increases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
1	Increase in employer's superannuation contributions for police staff						24,551			1,381			1,238			800
<b>Detail:</b> Employer's superannuation contribution rate is expected to increase by around 5% of pay from 1 April 2005.								<b>Basis of calculation:</b> Estimated level of police staff, traffic warden and PCSO pay budgets, including the effect of growth in future years.								

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
2	Full-year costs of Step Change Phase 1			26,646			15,626									
<b>Detail:</b> Full-year costs of Step Change Phase I growth which commenced in 2004/05.								<b>Basis of calculation:</b> Agreed Step Change costing model.								



## Schedule 10 – Committed Increases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
3	Police officer free travel costs			10,435			9,300									
<p><b><u>Detail:</u></b> The cost of the continuation of free rail travel for police officers based on the amount payable by the MPS to Association of Train Operating Companies and the estimated tax liability. Actual costs will be based on surveys carried out to ascertain usage levels.</p>								<p><b><u>Basis of calculation:</u></b> The calculation is based on the actual agreement and the current tax arrangements.</p>								

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		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
4	Police staff – Hay award increments						6,600			5,900			2,200			210
<p><b><u>Detail:</u></b> The consequential costs arising from the implementation of the Hay recommendations on police staff pay structure.</p>								<p><b><u>Basis of calculation:</u></b> The costs include the incremental progression of staff who are below the top of their new pay scale and increased employer's superannuation contributions arising from implementation.</p>								

## Schedule 10 – Committed Increases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000
5	Dual running of Airwave and Metradio – Service costs only			20,090			6,386			(3,732)			(2,627)			(1,897)
<b>Detail:</b> The replacement of the MetRadio system with Airwave, a service provided by MM02. Cost comprises:							<b>Basis of calculation:</b> The implementation of the Airwave service will be affected by the delays to the installation of the Integrated Communications Platform. This will prolong the dual running of the Metradio system and thereby impact upon costs.  The existing contract assumes that the Metradio system will be wound down in 2007/08 and that by 2008/09 only the Marine Support Unit radio system will remain.  The Home Office directly funds core charges and it is assumed that this will continue.									
<ul style="list-style-type: none"> <li>• Running the existing Met Radio system until it is replaced by Airwave.</li> <li>• Implementation of Airwave, due for completion in 2006/07.</li> <li>• Airwave service costs, increasing as the new system is implemented.</li> </ul>																

## Schedule 10 – Committed Increases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000
6	Additional revenue cost of C3i	316	1,669	86,295		(45)	5,549	28	226	3,874	(300)	126	(1,772)		40	(7,322)
<p><b>Detail:</b>                      The bids labelled C3i cover six revenue aspects of the C3i Programme and subsequent delivery of services by Metcall, PSD and DoI Service Delivery Group. After implementation of C3i Programme, all management and financial responsibility of items within this bid will fall to different areas of the MPS.</p> <p>This bid includes the cost of police officers presently in the C3i working environment working in BOCU control rooms whose posts will be civilianised at the completion of the transition phase. The cost of retaining these posts in the MPS, in accordance with the C3i protocol, will be reflected in the Step Change bid.</p> <p>In summary, the areas covered are the communications officers and Metcall management OCU providing the C3i services, maintenance of three C3i centres and technology installed within them.</p>								<p><b>Basis of calculation:</b></p> <p>The components are:</p> <ol style="list-style-type: none"> <li>1. Systems service delivery costs – costs of maintaining C3i systems once they are implemented. Responsibility of Service Delivery Group (Directorate of Information).</li> <li>2. Cost of Communications Officers in the C3i environment</li> <li>3. Metcall OCU – build-up of the OCU during implementation so that a structure is in place before transition from the existing services. This includes excess travel expenses.</li> <li>4. Civilianisation of BOCU police officer posts.</li> <li>5. Costs of running and maintaining the three C3i centres. This budget is the responsibility of Property Services.</li> <li>6. Incentive payments to retain existing communications officers within the C3i environment.</li> </ol>								

## Schedule 10 – Committed Increases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police No.	Police Staff No.	£000	Police No.	Police Staff No.	£000	Police No.	Police Staff No.	£000	Police No.	Police Staff No.	£000	Police No.	Police Staff No.	£000
7	Transfer of functions to the centralised traffic unit			3,100		319	4,500			2,700						
<b><u>Detail:</u></b>								<b><u>Expected service improvements and effect on key performance indicators:</u></b>								
<p>The decision has now been taken to centralise the traffic prosecutions function. The new centralised unit will be based at Marlowe House, Sidcup where it will be amalgamated with the Central Driving Offences Unit to form the new Traffic Criminal Justice OCU. This initiative is linked with the key MPS-wide strategy of freeing up space in BOCUs to allow the co-location of MPS CJU staff and CPS personnel in all CJUs. (CPS staff will also be co-located with staff in the new Traffic Criminal Justice OCU.) The new unit will also be responsible for the initial data capture for London-wide personal injury collisions. This will rectify current procedural delays in the publication of accurate injury collision data for London. This different approach is linked to the potential decriminalisation of red routes, which is still the subject of negotiation.</p>								<p>The creation of the centralised traffic CJU will bring together traffic process work across the MPS creating a corporate and consistent approach to enable the MPS top support the objectives of the Mayor in relation to improving traffic matters in London. It creates some efficiencies also in the use of MPS resources and reducing the resource requirement on the CPS by some 25%. This will allow the CPS to put lawyers into the points of charge on boroughs thereby supporting the key performance objectives relating to improving the criminal justice system and bringing offences to justice.</p>								
<b><u>Support for strategic goals and aims of “Towards the Safest City”:</u></b>								<b><u>Support for Mayoral Priorities:</u></b>								
<ul style="list-style-type: none"> <li>• <u>Change our working practices to improve the service give to victims and witnesses</u></li> <li>• Enhance our ability to work with other agencies within the criminal justice system</li> <li>• Improve the accuracy and timeliness of papers, documents and evidence</li> <li>• Actively support reform of the criminal justice system</li> <li>• Contribute to the advancement of a safe environment for all road users.</li> </ul>								Economies of scale.								

## Schedule 10 – Committed Increases

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		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
8	Special Priority Payments under Police Reform						4,500			1,600			800			800
<b>Detail:</b> The estimated cost of Special Priority Payments (SPPs) to police officers.								<b>Basis of calculation:</b> The Home Office has set minimum limits on the amount to be spent on SPPs. These are 1% of basic pay in 2003/04 rising to 1.5% in 2004/05 and 2% in 2005/06.								

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9	One-off savings in 2004/05 reinstated (desktop support and CCTV in custody suites)			(4,450)			4,450									
<b>Detail:</b> Savings were offered on a one off basis as part of the 2004/05 budget.								<b>Basis of calculation:</b> £4,200k relates to desktop support contract. £250k relates to CCTV in custody suites.								

## Schedule 10 – Committed Increases

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10	Cessation of Airwave grant provision						4,100			0			0			0
<b>Detail:</b> Use of pre-payment of Airwave grant to offset expenditure in 2004/05 will not continue in later years.								<b>Basis of calculation:</b>								

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000
11	Revenue cost of IT Capital Programme			36,881			3,744			3,042			2,730			2,750
<b>Detail:</b> On-going support costs of projects taken into service. This expenditure is the revenue costs associated with capital infrastructure investments that change and improve current systems or provide new functionality.								<b>Basis of calculation:</b> It is known that services delivered from the IS development programme result in additional support costs. In recent years this equates to 14% of the capital spend incurred. Hence, given a capital programme as identified in the capital submission, the above costs are anticipated.								

## Schedule 10 – Committed Increases

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12	Effect of other Police Reform changes			4,000			3,600			2,000			300			
<b>Detail:</b> The estimated cost implication of other Police Reform changes such as: <ul style="list-style-type: none"> <li>• shortening of pay scales;</li> <li>• competency threshold payments;</li> <li>• changes in certain allowances.</li> </ul>								<b>Basis of calculation:</b> The net increase in costs brought about by Police Reform changes, comprising: <ul style="list-style-type: none"> <li>• increases to value of pay scale points and shortening of pay scales;</li> <li>• competency threshold payments to officers who meet the required standard and have served at least 1 year at the maximum of their pay scale;</li> <li>• cessation of certain allowances and, in some cases, their replacement by reimbursement of actual costs incurred by officers.</li> </ul>								

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
13	Debt Finance for capital programme						3,200			2,670			2,140			1,920
<b>Detail:</b> The Capital Financing Requirement (supported and unsupported) is forecast to grow in line with the proposed capital spending plan. This results in a higher statutory charge to revenue for principal repayment and an increased interest charge.								<b>Basis of calculation:</b> Anticipated level of borrowing.								

## Schedule 10 – Committed Increases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
14	Increase in number of officers receiving London Pay Lead						2,600			2,600			2,600			3,700
<b>Detail:</b> All officers who have joined the MPS since September 1994 receive an additional London allowance to bring their pay closer to the level of officers who joined before that date and who receive a housing allowance. Thus the number of officers receiving this additional allowance increases each year.								<b>Basis of calculation:</b> Recruitment plans, excluding that element covered in any growth bids.								

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000
15	Re-tendering outsource contracts (Directorate of Information)			93,400			2,400									
<b>Detail:</b> Historically it has been found that when contracts run below RPI, increases are adjusted to take account of the full RPI effects during re-tendering.								<b>Basis of calculation:</b> Estimated extent to which the terms of individual contracts have suppressed prices since they were originally let.								



## Schedule 10 – Committed Increases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000
16	Burglary Sole Response		60	1,411		56	1,540			1,266						
<b>Detail:</b> Implementation of Burglary Sole Response, which is the use of forensic staff to examine, photograph and interpret crime scenes, deal with victims of crime and carry out fingerprint and other forensic examinations 116 Crime Scene Examiners across Territorial Policing will enable the MPS to implement Burglary Sole Response. This forms part of the Scientific Support Strategy and is linked to the forensic strand of the MPS Policing Model.								<b>Basis of calculation:</b> 116 staff recruited during 2004/05 and 2005/06.								

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000
17	IT support for Modernising Operations			2,500			1,500			300			300			
<b>Detail:</b> Modernising Operations is the TP led initiative aimed at improving the co-ordinating and tasking function at Boroughs. Its overarching deliverable is an Integrated Borough Operations, IBO facility that will complement the business process initiated via C3i. To achieve this the IBO room "cell" will have to have a mixture of customised technology accessing MPS corporate facilities via the Aware infrastructure.								<b>Basis of calculation:</b> There will be one cell per Borough. TP consider this initiative to be an essential element of the C3i service.								

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000
18	Transitional Outsource Costs			2,400			1,050			524						
<b>Detail:</b> Costs associated with the transition from the existing outsource suppliers to the new supplier. These will include set up and exit costs.								<b>Basis of calculation:</b> Service Improvements will be negotiated as part of the re-tendering process.								

## Schedule 10 – Committed Increases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police No.	Police Staff No.	£000	Police No.	Police Staff No.	£000	Police No.	Police Staff No.	£000	Police No.	Police Staff No.	£000	Police No.	Police Staff No.	£000
19	Mobile Data Terminals (revenue element)						800			800						
<p><b>Detail:</b> The key objective of the project is to provide patrolling MPS staff with access to corporate IT systems whilst mobile or on foot. The funding requirements are to support the ongoing service costs for the support of mobile data terminals. The incremental rise in support costs reflects the current rollout programme.</p>								<p><b>Basis of calculation:</b> There is still a requirement for the ongoing maintenance costs as originally bid.</p>								
<p><b>Support for strategic goals and aims of “Towards the Safest City”:</b></p> <p><b>Goal 2: Securing the Capital against Terrorism</b></p> <ul style="list-style-type: none"> <li>Enhance the collection of intelligence to inform our counter terrorist activities.</li> </ul> <p><b>Goal 4: Developing a Professional and effective Workforce</b></p> <ul style="list-style-type: none"> <li>Maximise the number of staff in the policing family and deploy them to increase the proportion of ‘Visible Operational Uniformed Personnel’.</li> <li>Provide our staff with the most appropriate working conditions, environmentally friendly facilities and equipment to help achieve our goals.</li> </ul> <p><b>Goal 5: Reforming the Delivery of Policing Services</b></p> <ul style="list-style-type: none"> <li>Deliver more services electronically to the public and our partners.</li> </ul> <p>Ensure that the maximum efficiency gains are being derived from the implementation of the Bureaucracy Taskforce's recommendations</p>								<p><b>Support for Mayoral Priorities:</b> See Goal 4 on the left. Increasing the mobility and enabling MPS patrolling staff through the enhanced use of IT, will increase operational policing and effectiveness to support the Mayor’s vision.</p>								

## Schedule 10 – Committed Increases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police No.	Police Staff No.	£000	Police No.	Police Staff No.	£000	Police No.	Police Staff No.	£000	Police No.	Police Staff No.	£000	Police No.	Police Staff No.	£000
20	Development of victim and witness focus desks (revised costs)			3,300		150	700								50	1,450
<p><b>Detail:</b>            The development of Victim and Witness Focus Desks is key to the Ministerial objective to improving the criminal justice system through improved victim and witness care. The original MTFP proposal for 2005/06 included £2.2m transitional costs. In order that TP meets all of its major change programs, there is a requirement for a base budget of £4m for 2005/06 and onwards to cover the permanent staffing costs. Some external funding has been achieved through the Invest to save budget, which has reduced costs for the next three years</p> <p>Improvements to the service provided to victims and witnesses featured strongly in the MPA's 'Crime Management' and 'Bringing Offenders to Justice' Best Value Reviews and the development of victim and witness focus desks was agreed by the MPA as part of implementing the Crime Management Review.</p>								<p><b>Expected service improvements and effect on key performance indicators:</b>            The creation of Witness Care Units will deliver improvement to the criminal justice system by reducing the number of ineffective trials due to witness non-attendance. A second indicator will be improved public confidence in the MPS. Work is being done to measure ineffective trial rates due to witness non-attendance that will start to produce figures on 1st October 2004. Public confidence is being measured through an ongoing customer satisfaction survey and a future MORI poll is planned. The key performance indicator will be more right first time outcomes at court as more effective trials deliver more offences brought to justice, as fewer witnesses are lost through intimidation and fatigue.</p>								
<p><b>Support for strategic goals and aims of "Towards the Safest City":</b></p> <ul style="list-style-type: none"> <li>• Change our working practices to improve the service given to victims and witnesses</li> <li>• Enhance our ability to work with other agencies within the criminal justice system</li> <li>• Improve the accuracy and timeliness of papers, documents and evidence</li> <li>• Actively support reform of the criminal justice system.</li> </ul>								<p><b>Support for Mayoral Priorities:</b>            An enhanced service, tailored to individual needs will be offered to victims and witnesses of crime, leading to increased confidence and greater access to the criminal justice system.</p>								

## Schedule 10 – Committed Increases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
21	PFI Unitary Charges			21,472			572			521			536			648
<p><b>Detail:</b> PFI – South East London Police Stations (Lewisham, Bromley, Sutton &amp; Deptford)</p> <p>PFI - Firearm and Public Order Facility.</p>								<p><b>Basis of Calculation:</b> Projected annual increase in usage.</p>								

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000
22	DNA analysis growth			4,570			569			1,254						
<p><b>Detail:</b> Currently the Home Office provides funding for certain types of DNA samples under the DNA Expansion Programme. Forces are required to fund costs up to a set threshold; the Home Office will then provide grant to fund further expenditure up to the same value as the threshold. Expenditure beyond the 'match funded' level must be funded by Forces.</p>								<p><b>Basis of Calculation:</b> The costs relate to testing of DNA samples by external suppliers and reflect the implementation of the Scientific Support Strategy and the Home Office DNA expansion programme. They are based on projections of the number of samples to be tested in each year.</p>								

## Schedule 10 – Committed Increases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000
23	Modernising Operations.			1,250		1	566		104	2,762		15	(109)			
<p><b>Detail:</b>            Modernising Operations (MO) provides an opportunity for a step change in policing. It maximises the Borough benefits from the C3i programme and introduces a standardised borough interface with the Met-call centres. An integrated borough operations (IBO) function supports the MPS policing model and facilitates effective local command. The IBO provides integrated intelligence provision, total resource management, station based supervision, support capacity and operational planning. MO is supportive of the C3i programme but also provides the crucial mechanism to effectively manage the increased policing numbers, particularly relating to PCSOs and probationary officers.</p>								<p><b>Basis of Calculation:</b>            Profile of projected costs</p>								

## Schedule 10 – Committed Increases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
24	Human Resources (i) Career Development (ii) Occupational Health (iii) Health and Safety		121	4,395		11	475		11	475						
<b><u>Detail:</u></b>								<b><u>Expected service improvements and effect on key performance indicators:</u></b>								
<p>(i) We need to invest more resources in developing all staff – police officers and support staff. We need to develop career development programmes for staff at all ranks and grades. We need to nurture and encourage talent. We need to develop the future leaders of the MPS. Increasing numbers make the work more urgent.</p> <p>(ii) In order to expand the existing spend to save programme and develop a more preventative approach to occupational health, as well as to cope with the increased demand on occupational health of record numbers of staff (police officers and police staff), and so reduce the number of days lost to preventable illness and injury, and in order to comply with Home Office guidelines, we need more doctors, specialists and nurses.</p> <p>(iii) We need to heighten health and safety awareness across the MPS, refresh comprehensive initial and refresher training programmes, ensure the estate complies with all health and safety legislation, and promote the more routine use of risk assessments. The benefits of this will be seen in fewer injuries at work and fewer health and safety incidents.</p>								<p>Motivated and efficient staff, fully compliant in health and safety legislature.</p> <p>Reduction in resignation levels.</p>								
<b><u>Support for Policing Plan priorities/strategic goals and aims of “Towards the Safest City”:</u></b>								<b><u>Support for Mayoral Priorities:</u></b>								
<ul style="list-style-type: none"> <li>• Recruit, train and retain an extended police family reflecting the diversity of London.</li> <li>• Create an environment in which the talents, skills and experiences of our diverse workforce are able to enhance and support operational demands.</li> <li>• Provide our staff with the most appropriate working conditions, environmentally friendly facilities and equipment to help achieve our goals.</li> </ul> <p>Actively manage the growth in staff numbers and ensure that officers receive proper support.</p>								<ul style="list-style-type: none"> <li>• Support mechanisms for increasing police numbers to 35,000 over the next 3 to 5 year period.</li> <li>• Substantial progress towards a representative workforce.</li> </ul>								

## Schedule 10 – Committed Increases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000	Police officer No.	Police Staff No.	£000
25	Information Management Business Change Programme (Freedom of Information Act Compliance)			1,599		7	317			(102)			1,203			
<p><b><u>Detail:</u></b>                      The Information Management Business Change Programme (IMBCP) is a programme of work to ensure improvements in the management of information sufficient to achieve cost effective compliance with the FOIA and deliver associated business and service benefits.</p> <p>During 2005/06 the MPS will be required to implement the corporate File Plan and associated record management disciplines to ensure ongoing compliance with FOIA and progress towards electronic records management. The growth is required for staff to implement and thereafter support a corporate File Plan.</p> <p>Following the Bichard Inquiry, it is also anticipated that the MPS will be required to implement a new Information Management Code of Practice and associated guidance issued under the Police Reform Act, 2002. The implementation strategy for this Code is anticipated to require dedicated staff resource. This Code is likely to be issued in the autumn of 2005.</p>								<p><b><u>Expected service improvements and effect on key performance indicators:</u></b></p>								
<p><b><u>Support for Policing Plan priorities/strategic goals and aims of “Towards the Safest City”:</u></b>                      Improved MPS Information Management, as proposed by the Programme will support Policing Plan priorities in the following respects:  <b>Goal 3 – Revitalising the Criminal Justice System –</b></p> <ul style="list-style-type: none"> <li>• Through improved record keeping, development of electronic case papers, workflow</li> <li>• More timely interworking if records can be handled electronically</li> <li>• Better decision making arising from better quality information and improved systems of accountability</li> </ul> <p><b>Goal 5 - Reforming the Delivery of Policing Services –</b></p> <ul style="list-style-type: none"> <li>• Through delivery of electronic services to citizens and business partners</li> </ul>								<p><b><u>Support for Mayoral Priorities:</u></b>                      Moving to an electronic primary record will reduce the accommodation overheads for storage of paper material and the transport costs and environmental damage arising from the physical movement of paper files. The size of this benefit will increase in proportion to any growth in the size of the MPS.</p>								

**Schedule 10 – Committed Increases**

<ul style="list-style-type: none"><li>• Reducing bureaucracy through enabling electronic transactions to replace paper processes</li><li>• Facilitating devolution of decision making by improved access to record keeping where accountable decisions may be recorded.</li></ul> <p>Support is also claimed for; <u>Key Strategic Initiative 2 - Effective use of Science and Technology</u> Key Strategic Initiative 3 – Resource Management Key Strategic Initiative 5 – Communication</p>	
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## Schedule 10 – Committed Increases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
26	One-off savings in 2004/05 reinstated (Uniform Services underspend in R&D)			(200)			200									
<b>Detail:</b> One off savings offered to balance the 2004/05 budget								<b>Basis of calculation:</b> Reinstatement of budget to previous level.								

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
27	Full-year cost of additional accommodation at Dean Farrar Street						125									
<b>Detail:</b> The growth in the number of posts within the MPA and recruitment to those posts has necessitated the secretariat taking on extra accommodation within Dean Farrar Street.								<b>Basis of calculation:</b> The full year cost of the additional rent, rates, and other premises related costs is estimated at £125k.								

## Schedule 11 – Committed Decreases

### Committed Decreases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
1	Progressive reduction in housing related allowances						(5,600)			(5,200)			(5,000)			(5,000)
<b>Detail:</b> Police Regulations allow police officers who joined before September 1994 to receive housing and rent allowance. As these officers retire or resign, these payments will reduce.							<b>Basis of calculation:</b> The estimated reduction of housing allowances paid to police officers retiring/leaving the MPS.									

Item	Description	2004-05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
2	Estate resilience			4,290			(2,290)									290
<b>Detail:</b> The base budget covers the increased need to ensure the continuance of power supplies for 13 critical locations, involving a total review of all engineering infrastructure, building management systems and back up generators within these buildings. One-off costs in 2004/05 will drop out in 2005/06.							<b>Basis of Calculation:</b> One-off costs of £2,290k in 2004/05 budget will not required from 2005/06 onwards.									

## Schedule 11 – Committed Decreases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police No.	Civil Staff No.	£000	Police No.	Civil Staff No.	£000	Police No.	Civil Staff No.	£000	Police No.	Civil Staff No.	£000	Police No.	Civil Staff No.	£000
3	Criminal Justice support to CPS at point of charge			1,702			(1,702)									
<b>Detail:</b> This sum has been used to fund joint partnership initiatives with the Crown Prosecution Service to support this service at point of charge. We have been able to deliver that more quickly and at a reduced cost through focussing on the efficient use of resources. This initiative will be mainly completed by the end of the 2004/05 financial year, and the balance of funding originally requested is offered up as savings.								<b>Basis of Calculation:</b> Removal of budget allocated in 2004/05.								

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
4	Counter Terrorism – Fingerprinting Team (CTFT)			1,400			(1,400)									
<b>Detail:</b> One-off costs associated with the movement of the above team to an outer London location allowing for CT Forensic Facility. At present this forensic work is undertaken in central London in FSS labs by Directorate of Forensic Services staff and costs the MPS £500k per year.								<b>Basis of Calculation:</b> Budget for one-off costs was allocated in 2004/05. However, due to difficulties in finding a suitable location the project has slipped and it is unlikely that work will start on the new facility before the end of this financial year. Therefore, whilst no budget is required in 2005/06, it will be necessary to carry forward the current year's budget for future use.								

## Schedule 11 – Committed Decreases

Item	Description	2004-05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
5	Process of re-letting outsourced contracts		23	3,900			(1,000)						(1,000)			(1,900)
<b>Detail:</b> Reflects the cost of reviewing and re-letting outsourced contracts, which will be managed centrally by the Director of Procurement. The balance of the existing earmarked reserve will be applied in 2005/06.  All contracts should be in place by 2007/08. The new contracts will be reviewed to see when the costs for the benchmarking exercise are to be incurred and external consultancy resources required for the next re-tender exercise and/or extension of the new contracts.							<b>Basis of Calculation:</b> An assessment of the additional administrative, technical, legal and specialist expertise required to carry out the re-tendering programme.									

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
6	Equipment for firearms forensic capability			600			(600)									
<b>Detail:</b> One-off cost in 2004/05 of purchase and implementation of Integrated Ballistic Identification System (IBIS). This acts as the engine for the National Firearms Forensic Intelligence Database (NFFID) and will enable ballistic evidence to be compared quickly and accurately on a national basis. The system is international and there is the potential to match weapons recovered in the MPS with crime scenes worldwide.  The MPS will also have more control on workload priorities to help ensure that dangerous offenders are not released on bail pending a firearms classification result.							<b>Basis of Calculation:</b> Budget no longer required in 2005/06.									

## Schedule 11 – Committed Decreases

Item	Description	2004/05 (Base)			2005-06			2006-07			2007-08			2008-09		
		Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000	Police Officer No.	Police Staff No.	£000
7	Transfer of Coroners' Officers from the MPS to the 'new' Coronial Service		88	2,500											(88)	(2,500)
<p><b><u>Detail:</u></b> Following the Shipman enquiry it was recommended that a 'new' Coronial Service be set up by 2008. This would 'adopt' the existing Coroners' Officers and be funded by transfer of existing funds.</p>								<p><b><u>Basis of Calculation:</u></b> <b><u>The £2.5m figure is based upon 2003/04 costs and includes the Coroners' Officers managers.</u></b></p>								
<p><b><u>Support for strategic goals and aims of "Towards the Safest City":</u></b> Goal 3; Revitalising the Criminal Justice System. Changes in working practices to improve the service given to victims and witnesses.</p>								<p><b><u>Support for Mayoral Priorities:</u></b> Home Office Objective to be implemented by 2008.</p>								

## Budget Savings Proposals for 2005/06

<b>Efficiency and other savings</b> <i>(figures are shown as incremental)</i>	<b>2004/05</b> <b>£'000</b>	<b>2005/06</b> <b>£'000</b>	<b>2006/07</b> <b>£'000</b>	<b>2007/08</b> <b>£'000</b>
<b>Deputy Commissioner's Command</b>				
<i>Directorate of Information</i>				
Rationalisation of employee and consultancy costs	(2,076)			
Reductions on various minor non-pay related expenditure	(2,195)			
Reductions in various ICT related costs	(3,406)			
Reductions in development charges	(500)			
Capitalisation of revenue expenditure	(5,195)			
<i>DCC other</i>				
DPA - reducing number of sets of daily press cuttings, stop printed copies of Notices, remove £250k from publicity/advertising and remove one police staff post	(406)			
Diversity Directorate - made up from: £350k Victim and Intimidated Witness project; and £100k Corporate Positive Action	(450)			
DCC Business Support - reduction in consultancy budget	(115)			
DPS - seconding staff to IPCC would recover £373k staff costs and £200k police overtime	(575)			
Additional income from special enquiries	(781)			
DCC1 restructuring , savings in police staff	(76)			
DCC 7 reduction of 1 Police sergeant	(43)			
DCC 7 restructuring - vacant police staff posts	(449)			
MPAA unit to be self-funding, to receive £131k from MPS/members	(131)			
DCC Central, efficiency savings within DCC	(195)			
<b>Total Deputy Commissioner's Command</b>	<b>(16,593)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Human Resources</b>				
Employee expenditure, HR recruitment	(1,020)			
<b>Total Human Resources</b>	<b>(1,020)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Resources</b>				
<i>Property Services</i>				
Capitalisation of existing revenue expenditure	(5,000)			
Property Services - Vacancy management, reduced FM expenditure	(4,265)			
<i>Logistical Services</i>				
<i>Catering</i>				
Reduced trading hours, closure of catering units & vacancy management	(292)			
2% above inflation increase in retail prices	(180)			
Withdraw free meals for those attending courses at Peel Centre and reduced opening hours	(236)			
Subsidy charge to FSS at Lambeth	(100)			
<i>Commercial Services</i>				
Increased income from travel commissions	(100)			
Commercial Services - Reduce running costs	(222)			
<i>Resources personnel development unit</i>				
Delete full external training and overtime budget, vacancy management	(49)			
<i>Vehicle recovery and examination services</i>				
Additional income from an extended contract with TfL	(351)			
<i>Performance and Communication unit</i>				
Vacancy management	(26)			
<i>Transport</i>				
Reduce size of the owned fleet - disposal of temp loaned vehicles	(980)			
Transport - Bring forward outsourcing programme	(250)			
Review tasks within driver services and additional income for maintenance of non MPS vehicle	(190)			
<i>Finance and Procurement Services</i>				
Financial Services - investment income, vacancy management, local purchases	(1,260)			
Procurement Services - vacancy management, external training, local purchases	(111)			
<b>Total Resources</b>	<b>(13,612)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Specialist Crime</b>				
Efficiency Savings Review of SCD Configuration and Services	(8,935)			
Operation Enterprise (Telephone Investigation Unit)	(1,000)			

<b>Efficiency and other savings</b> <i>(figures are shown as incremental)</i>	2004/05 £'000	2005/06 £'000	2006/07 £'000	2007/08 £'000
<b>Total Specialist Crime</b>	(9,935)	0	0	0
<b>Specialist Operations</b>				
Increase in DPG House of Lords income	(810)			
<b>Total Specialist Operations</b>	(810)	0	0	0
<b>Territorial Policing</b>				
Reduction in Inspector Posts	(1,760)			
Additional Immigration income	(1,000)			
Reduction in police overtime	(1,000)			
Leadership programme	(50)			
Decriminalisation of red routes	(16,000)			
Contribution of TFL overheads from decriminalisation	(1,500)			
Officer enquiry posts	(2,500)			
<b>Total Territorial Policing</b>	(23,810)	0	0	0
<b>Total</b>	(65,780)	0	0	0