
Budget Book 2004/05



**Revenue Budget
2004/05
and
Capital Programme
2004/05 - 2008/09**



Working for a safer London

MPA

Metropolitan Police Authority

Metropolitan Police Authority

Budget Book 2004/05

Revenue Budget 2004/05

and

Capital Programme 2004/05 to 2008/09

April 2004

Contents	Page
Foreword	(i)
Overview	(ii)
Revenue Budget 2004/05	1
Overall Summaries	2
Metropolitan Police Authority	5
Territorial Policing	9
Specialist Crime Directorate	15
Specialist Operations	19
Deputy Commissioner's Command	23
Resources Directorate	37
Human Resources Directorate	47
Police Officer Pensions	57
Yet to be allocated	61
<hr/>	
Capital Programme 2004/05 to 2008/09	65
Introduction	67
Programme Summary and Funding	69
Technical Assumptions – Capital Programme	72

Foreword

This is the Metropolitan Police Authority's (MPA's) fourth Revenue and Capital Budget Book. The information in this book shows how the resources of the MPA will be deployed to support core business activities and to respond to the increasing demands on the Metropolitan Police Service (MPS) and MPA. The MPA/MPS's approach to meeting these demands is set out in the Policing Plan for 2004/05, which identifies the key priorities for the year.

The finances of the MPA are complex, partly due to its unique constitutional position within the Greater London Authority (GLA), and also due to its size and the diverse nature of its activities.

The financial resources available for deployment consist of both revenue and capital and each is covered in this document. Revenue budgets are shown at Business Group and Sub-business Group and for Capital against main programme projects. Throughout the year the MPS will monitor in detail the actual net expenditure to date position and annual forecast against these budgets and reports will be provided to the MPS's Management Board and MPA's Finance Committee.

The MPA/MPS budgets for 2004/05 reflect a number of major developments, which include the following:

- the step change programme for further increasing police officer numbers
- extensions to the estate and its resilience
- the continued impact of Police Reform
- development of a number of information and communication systems.

Further details are set out in appendices 1 and 2 of the Overview.

This budget book provides a flavour of the nature of the MPA/MPS and describes how the funds allocated will be deployed.

Peter Martin, Treasurer, MPA

Keith Luck, Director of Resources, MPS

Overview

Introduction

The Mayor's budget for 2004/05, including the total revenue budget of the Metropolitan Police Authority (MPA), was approved at the meeting of the London Assembly on 18 February 2004.

The budget approved amounted to £2,555.1 million, including expenditure financed by specific grants, an increase of 5.9% over the comparable figure for 2003-04.

This was subsequently augmented by additional expenditure financed by a £12.5m specific government grant for Street Crime, increasing the overall budget to £2,567.6m, an increase of 6.5% over the comparable figure for 2003-04.

The Metropolitan Police Authority approved the allocation of the 2004/05 budget on 25 March 2004. The Authority also agreed the Capital Programme at the same meeting; this programme is included at page 65.

Revenue Budget Process

The Mayor's budget guidance, which was issued at the end of May 2003, required the Authority to exemplify savings requirements across three options as follows:

- Option 1 – a precept increase limited to 2.5% (£454.8 million),
- Option 2 – 2003-04 growth plus the full year cost of 2003-04 police officer and PCSO growth,
- Option 3 – a budget requirement (net budget less all specific grants) of £2,351.6 million per the 2004-05 forward financial plan in the final GLA Budget.

The strategy and options for increasing police numbers to 35,000 over the next three to five years via the Step Change programme were to be developed in addition to these three options.

The budget process followed the overall framework set out by the Mayor in his guidance. The resulting timetable for the MPA is set out in the process below:

Table 1: Revenue Budget Timetable 2004-05

Date	Stage	Authority/Committee
2003 May	Budget guidance issued by the Mayor	MPA Finance Committee 09.06.03
July	Medium term financial projections rolled forward. Budget proposals developed in line with option 3 of the Mayor's budget guidance.	MPA Finance Committee 10.07.03 15.09.03
October	Following discussion with the Mayor revised proposals developed to move nearer to option 2	MPA Finance Committee 13.10.03 23.10.03
October	Informal consultation with key stakeholders	
November	Detailed draft budget submitted to Mayor	MPA Full Authority 30.10.03
December	Budget reviewed in the light of the grant settlement and further guidance from the Mayor	MPA Full Authority 09.12.03
December	Formal consultation	Greater London Authority
2004 January	Mayor submits initial proposals to Assembly	London Assembly 28.01.04
February	Mayor submits final proposals to Assembly	London Assembly 18.02.04
March	MPA approves allocation of budget	MPA Full Authority 25.03.04

Budget Submissions:

Table 2 sets out a summary of the budget at four stages:

1. The draft submission as reported to the Finance Committee on 15 September 2003 and presented to the Mayor on 25 September 2003,
2. The submission, reflecting the grant settlement, as agreed by the Authority on 9 December 2003,
3. The budget as approved at the meeting of the London Assembly on 18 February 2004.
4. The budget as approved by the MPA on 25 March 2004, reflecting additional expenditure financed by specific government grant.

Table 2: Development of Budget Analysis

	<i>As at 25.09.03</i>	<i>As at 9.12.03</i>	<i>Final GLA Approval</i>	<i>Final Budget</i>
	£m	£m	£m	£m
2003-04 approved budget	2,411.7	2,411.7	2,411.7	2,411.7
Provision for inflation	71.6	66.7	66.7	66.7
Real term changes in unfunded pensions	<u>15.4</u>	<u>10.4</u>	<u>10.4</u>	<u>10.4</u>
	2,498.7	2,488.8	2,488.8	2,488.8
Unavoidable expenditure commitments (Appendix 1)	<u>86.1</u>	<u>83.7</u>	<u>83.7</u>	<u>96.2</u>
	2,548.8	2,572.5	2,572.5	2,585.0
Additional high priority growth (Appendix 2)				
Step Change programme	-	26.6	26.6	26.6
Other growth	<u>19.9</u>	<u>17.3</u>	<u>17.3</u>	<u>17.3</u>
	2,604.7	2,616.4	2,616.4	2,628.9
Savings and Efficiencies (Appendix 3)	<u>-45.5</u>	<u>-61.3</u>	<u>-61.3</u>	<u>-61.3</u>
2004-05 cash limit	<u>2,559.2</u>	<u>2,555.1</u>	<u>2,555.1</u>	<u>2,567.6</u>
To be funded by:				
Forecast grant	2,019.8	2,010.4	2,010.1	2,022.6
Precept forecast, in line with Mayor's intentions	526.6	524.9	521.3	521.3
Use of reserves	<u>12.8</u>	<u>19.8</u>	<u>23.7</u>	<u>23.7</u>
2004-05 forecast funding	<u>2,559.2</u>	<u>2,555.1</u>	<u>2,555.1</u>	<u>2,567.6</u>

• **Draft Submission to Mayor 25.09.03**

Budget proposals were developed initially to comply with option 3 and the draft budget on this basis was reported to the Mayor on 25 September 2003. Options for the implementation of the Step Change programme were reported at the same time. The option, which would deliver three community police teams per borough in 2004-05 together with essential supporting resources, was estimated to cost £31.9 million in 2004-05 (not included in figures above). Taken together with the draft budget in line with savings option 3 this would lead to a police precept increase of 25.9%.

In the light of this position the Mayor requested that further reductions be found to move the budget towards savings option 2.

• **Detailed submission 9.12.03**

The detailed submission was approved by the Authority on 30 October 2003. In the event the draft budget would have required further reductions of £18 million to achieve option 2. The submission was further modified by the Authority on 9 December 2003 to reflect a number of developments that impacted on the budget draft:

- the announcement of the provisional grant settlement for 2004-05 at about £9.5 million lower than forecast;
- completion of a review of the projected Step Change costs, reducing the cost in 2004-05 to £26.6 million;
- a letter from the Mayor requesting further reductions.

• **Final GLA approval at Assembly 18.02.04**

The Mayor's final proposal to the London Assembly additionally reflected:

- The announcement of the final grant settlement which resulted in a marginal reduction in the MPA allocation of £0.268 million,
- additional use of reserves reflecting the allocation of additional revenue grant in 2003/04 and capital grant in 2004/05 in relation to Airwave.

The Mayor's proposed budget was approved with the Assembly unable to agree any amendments. The final GLA-approved budget is £12.8 million higher than option 2 in the original guidance.

- **Final MPA approval 25.03.04**

The final budget reflected additional expenditure of £12.5m on street crime financed by specific government grant.

Budget requirement

The budget net of specific grant and use of balances is referred to as the 'budget requirement' and this is the basis for comparison with FSS (Formula Spending Share) plus police grant, which represents the Authority's share of the Government's national provision for police expenditure. This information is set out as follows:

Table 3: Budget requirement 2004-05

	<i>2003-04</i> <i>£m</i>	<i>2004-05</i> <i>£m</i>	<i>% change</i>
Cash limit (incl. expenditure funded from specific grants)	2,411.7	2,567.6	6.5%
Less specific grants	202.9	200.6	-1.1%
Less application of reserves	<u>1.0</u>	<u>23.7</u>	
Budget requirement	<u>2,207.8</u>	<u>2,343.3</u>	6.1%
FSS + police grant	2,041.9	2,147.3	5.2%

Funding

The Authority's net expenditure is funded from government grant, council tax precept and the use of reserves, as shown in Table 2.

- **Government Grant**

Police grant and revenue support grant (RSG) are distributed in accordance with a national formula designed to reflect differences between police authority areas in the need for police spending. Non-domestic rate (NDR) income is pooled nationally and distributed to all local authorities, including police authorities, on a per capita basis.

The special payment is unique to the MPA and is a top slice of police grant paid to reflect the MPS' national and capital city functions.

Specific grants are generally time limited and can only be applied for the specified purposes.

The grant settlement for 2004-05 was based on an overall increase in police resources of 4.2%. The proportion of specific grant funding was reduced, consistent with the ministerial statement that the Government had 'transferred into general police grant provision amounting to £100m from existing and planned specific grants and central spending.'

Distribution of the grant for 2004-05 was not based on the grant formula; instead the decision was made to 'provide a standard general grant increase of 3.25% for each police authority in England and Wales'. The MPA's increase was in fact 3.3%. If the grant formula had been allowed to operate unchecked the MPA would have received a further £56 million. In effect this sum has instead been distributed to other police authorities to help keep their council tax increases down.

The figures in Table 4 reflect the final grant settlement for the MPA. The final settlement was lower than anticipated – a 3.5% increase in general grant had been assumed and expected specific grant for Airwave expenditure was incorporated into the general grant (later reinstatement of specific grant was a mixture of capital and revenue grant and was not at the level earlier assumed).

Table 4: Analysis of Government Grant

	2003-04	2004-05	% change
	settlement	settlement	
	£m	£m	
Central funding allocated by national formula			
Police Revenue Grant	880.4	916.1	
Revenue Support Grant (RSG)	579.2	598.8	
Non-domestic Rates (NDR)	102.5	100.1	
	1,562.1	1,615.0	3.3%
Special Payment	202.0	207.0	2.5%
Specific Revenue Grants			
Crime Fighting Fund	70.5	73.0	3.6%
Loan Charges Grant	3.7	3.5	-5.4%
Pay Lead Special Grant	22.8	27.0	18.6%
DNA Expansion Programme Grant	5.6	4.6	-18.5%
Funding of free travel for police officers	2.5	2.5	0.0%
Airwave	20.0	0.0	-100.0%
PNB / Reform	7.8	10.3	32.1%
Counter Terrorism	47.0	52.2	11.1%
PCSO	15.0	15.0	0.0%
Street Crime	8.0	12.5	56.1%
	202.9	200.6	-1.1%
Total Grant Funding	1,967.0	2,022.6	2.8%

- Council Tax Precept**

The precept required to fund the MPA budget for 2004-05 after allowing for government grant is £521.3 million. This results in a Band D council tax for police purposes of £184.08 as shown below. The increase in the council tax was considered in the light of available information about potential capping by the Government.

Table 5: Impact of agreed budget on Council Tax

	2003-04	2004-05	% change
Police Precept	£ 443.7m	£ 521.3m	17.5%
Band D for Police Services	£ 159.13	£184.08	15.7%
Council tax taxbase (Band D equivalent properties)	2,788,601	2,832,078	

- Revenue Reserves**

The 2004-05 budget assumes no movements to or from the general reserve. However, earmarked reserves will be created out of underspendings in 2003-04 specifically to fund one-off expenditure in 2004-05 and to provide contingencies for potential demands not reflected in the budget.

The reserves at 1 April 2004 are anticipated to be as follows:

Table 6: Statement of Reserves

	£m
Reserves	
General Reserve	24.0
Earmarked reserves	51.9
Balance as at 1 April 2004	75.9

Management of the budget

The 2004-05 budget reflects further development in devolution. In particular, the full devolvement of the police pay budget and the forensic searches budget will be extended from the current pathfinder sites to include all Borough OCUs. Service-wide devolution of police pay is planned from 2005-06.

Appendix 1 Unavoidable Expenditure Commitments

Committed change	£m
Full year costs of 2003-04 additional police officers	26.2
Full year costs of 2003-04 additional PCSOs	12.0
Additional revenue costs of C3i	12.0
Police officer free travel costs	10.4
Police staff – Hay award increments	8.5
Reinstatement of C3i police officer posts civilianised	7.8
Extensions to estate portfolio	6.3
Special priority payments under police reform	5.4
PFI unitary charges	4.9
Increase in number of officers receiving London pay lead	4.7
Safer streets	4.5
Effect of other police reform changes	4.0
Revenue cost of IT capital programme	3.6
IT support for modernising operations	2.5
Process of re-letting outsourced contracts	2.0
Provision of pre-charge advice services from the CPS	1.7
Support to both covert and overt operations	1.5
Burglary sole response	1.4
Modernising operations	1.3
Debt finance for capital programme	1.2
Re-tendered outsourced contracts – Property Services	1.0
Additional Airwave running costs	1.0
DNA analysis growth	0.9
Additional security	0.2
MPA administration of ill health retirements	0.1
Sub total: committed increases	125.1
Dual running of Airwave & Metradio	-20.0
Progressive reduction in housing related allowances	-5.5
Reduced provision for police officer pay award	-3.4
Sub total: committed decreases	-28.9
Total	96.2

Appendix 2 Additional High Priority Growth

New initiatives	£m
'Step Change'	26.6
Estate resilience	4.3
Development of victim and witness focus desks	3.3
Transfer of functions to the centralised traffic unit	3.1
Freedom of Information Act compliance	1.1
Counter terrorism - fingerprinting team	1.4
Backlog maintenance	1.0
Equipment for firearms forensic capability	0.6
Mobile Data Terminals (revenue element)	0.5
Cell accommodation project	0.5
People development (inc occupation health and health and safety)	0.5
Leadership programme for sergeants, inspectors and police staff	0.3
Monitoring of corporate performance priorities	0.3
Support to both covert and overt operations	0.2
Provision of 'tasers'	0.2
Total	43.9

Appendix 3 Savings and Efficiencies

Savings and efficiencies	£m
Use of non-pay inflation contingency to part fund cost of free rail travel	6.8
Removal of compensation contingency	5.0
Police pensions and lump sums - lower number of ill-health retirements	5.0
Police overtime	2.5
Savings not yet identified	1.0
Sub total: Corporate	20.3
Directorate of Information expenditure transferred to capital	5.0
Temporary reduction in desktop IT support costs	4.2
Strategic Development devolved budgets including consultancy costs	1.3
Compensation – further saving in business group budget	1.0
Replace consultants with permanent staff	1.0
Deputy Commissioner's Command supplies and services budget	0.5
Directorate of Professional Standards	0.5
Property Services work on IT projects	0.4
Workstation support costs reduction	0.4
Diversity Directorate	0.3
CCTV in custody suites b/f to 2003-04	0.3
Development & Organisation Improvement Team	0.2
Deputy Commissioner's Command - reductions in various base budgets	0.2
External consultancy	0.1
Directorate of Public Affairs – non-pay budget	0.1
Sub total: Deputy Commissioner's Command	15.5
Increased income from charges to Immigration Service	1.0
Increased income from operational receipts	1.0
Police staff element of Aid Fund	1.0
Savings re staff transfer to PFI provider	1.0
Police staff (Traffic Wardens) underspend	1.0
Police staff pay - unused budget allocation	1.0
TP hand held devices - one-off development costs b/f to 2003-04	0.5
TP Pan London Public Order - various budgets	0.4
TP Pan London Territorial Support Group - various non-pay budgets	0.3
Additional income from Specialist support and Traffic	0.3
TP Pan London Traffic Unit - fuel budgets	0.2
Air support unit fuel costs	0.1
TP Pan London Traffic Unit - IT budgets	0.1
Sub total: Territorial Policing	7.9
Interest on Revenue balances	2.2
Transport & devolved budgets	1.8
Increase Income Generation target	1.0
Congestion charge budget	0.6
Recruits - charge for laundry and cleaning at Hendon	0.5
Clothing contract (anoraks) - price reduction on re-tendering	0.3
Increased value of car sales	0.2
Uniform Services - underspend for R&D in 2003-04	0.2
Sub total: Resources Directorate	6.8
Increased income – secondees	2.5
Reduce recruitment section staffing and advertising budget	2.4
Reduction in transport costs	0.3
Reduce running costs	0.2
Reduction in photocopying	0.2

MPA Revenue and Capital Budget Book 2004/05

Savings and efficiencies	£m
Corporate external trainers	0.1
Reduce corporate redundancy budget	0.1
Review of training notes	0.1
Reduce various budgets - Strategic Management Unit	0.1
Sub total: Human Resources	6.0
Income from court directions in respect of forfeiture of assets	1.1
Establish in-house forensic facility	0.5
Establish in-house firearms and ammunition forensic facility	0.5
Sub total: Specialist Crime	2.1
Increase income from operational receipts	1.5
Charge other forces for use of firearms training facility	0.1
Sub total: Specialist Operations	1.6
Deletion of efficiency & effectiveness reviews budget	1.0
Deletion of recruitment budget	0.1
Sub total: MPA	1.1
2004-05 savings and efficiencies	61.3

Summary

Revenue Budget 2004/05

2004/05 Revenue Budget Summary by Business Group

2003/04 Budget Book				2004/05 Budget		
Expenditure £000	Income £000	Net £000	Business Groups:	Expenditure £000	Income £000	Net £000
1,081,800	-31,085	1,050,714	Territorial Policing	1,222,458	-72,738	1,149,720
255,268	-11,611	243,657	Specialist Crime Directorate	273,234	-11,930	261,304
213,860	-63,098	150,762	Specialist Operations	224,981	-62,647	162,334
276,786	-3,380	273,406	Deputy Commissioner's Command	303,834	-3,613	300,221
258,685	-45,557	213,128	Resources Directorate	294,798	-50,272	244,526
132,558	-26,054	106,504	Human Resources Directorate	122,034	-28,554	93,480
2,218,957	-180,785	2,038,171	Total Business Groups	2,441,339	-229,754	2,211,585
			Corporate Budgets:			
363,361	-94,644	268,717	Pensions	377,841	-97,781	280,060
95,446	0	95,446	Not yet allocated	70,748	-3,861	66,887
458,807	-94,644	364,163	Total Corporate Budgets	448,589	-101,642	346,947
2,677,764	-275,429	2,402,334	Total MPS	2,889,928	-331,396	2,558,532
9,353	0	9,353	MPA	9,091	0	9,091
2,687,116	-275,429	2,411,687	Net Expenditure	2,899,020	-331,397	2,567,623
		-202,887	Specific Grants			-200,561
		2,208,800	Net Revenue Expenditure			2,367,062
		-1,000	Movement in reserves			-23,762
		2,207,800	Budget Requirement			2,343,300
			Funding:			
		-1,082,400	Police Grant			-1,123,084
		-1,125,400	Payments under s.102 GLA Act 1999			-1,220,216
		-2,207,800	Total Funding			-2,343,300

2004/05 Revenue Budget Subjective Summary

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	1,194,890	1,277,198
Police Staff (Civil Staff) Pay	379,800	428,209
Police Staff (Traffic Wardens) Pay	19,505	14,757
Police Staff (Police Community Support Officers) Pay	16,823	42,467
Total Pay	1,611,018	1,762,631
Police Officer Overtime	95,737	105,804
Police Staff (Civil Staff) Overtime	21,157	22,530
Police Staff (Traffic Wardens) Overtime	2,376	1,346
Police Staff (Police Community Support Officers) Overtime	135	780
Total Overtime	119,405	130,461
Other	6,983	6,316
Total Employment Costs	1,737,406	1,899,407
Police Officer Pensions	363,361	381,266
Running Expenses:		
Employee Related Expenses	19,269	17,150
Premises Costs	165,635	193,559
Transport Costs	47,019	47,954
Supplies and Services	331,920	344,148
Capital Financing Costs	14,486	16,536
MPA Contingency	12	0
Total Running Expenses	578,341	619,347
Yet to be allocated	8,008	-1,000
TOTAL EXPENDITURE	2,687,116	2,899,020
Interest Receipts	-8,900	-11,100
Other Income	-266,529	-320,296
TOTAL INCOME	-275,429	-331,397
NET EXPENDITURE/(INCOME)	2,411,687	2,567,623

Metropolitan Police Authority

Metropolitan Police Authority (MPA)

Secretariat

The Secretariat supports the members of the Authority to ensure the Authority is able to:

- secure the maintenance of an efficient and effective police force in London;
- be accountable for the management of its budget. The Treasurer is the statutory Chief Financial Officer of the MPA under Section 127(2) of the Greater London Authority Act 1999 and is responsible for ensuring that the financial affairs of the MPS and MPA are properly administered having regard to probity, legality and appropriate standards. The MPA delegates day-to-day financial management responsibility to the Commissioner;
- participate as a member of the Crime and Disorder Partnerships set up with each London borough and the Commissioner;
- as Best Value authority, secure continuous improvement in the way policing is provided in London;
- have a role in the appointment, discipline and removal of senior Metropolitan Police officers;
- publish an annual policing plan after consulting the people who live and work in London about policing priorities in their areas and taking account of their views;
- seek to promote equality of opportunity in a diverse community, in everything it does;
- set policing targets and regularly monitor MPS performance against them.

Internal Audit

Internal Audit assists both the Metropolitan Police Authority and the Commissioner in the discharge of their responsibilities for the policing of London. Internal Audit supports the MPA by providing the Treasurer and the Audit Panel with reports and analyses of the degree of adequacy and effectiveness of internal control within the MPS and MPA, and contributes to the Commissioner's objective of ensuring that systems are secure and safe against corruption through:

- advice on the prevention and detection of fraud affecting the MPS and, investigation of waste or abuse within the systems that support the policing of London;
- evaluation of the adequacy and effectiveness of the corporate control framework;
- risk based reviews of all internal systems;
- advice on the adequacy and effectiveness of planned controls in new and developing systems;
- promulgation of best practice across the MPS.

Managed Provision

Budgets managed by the MPA which do not directly fund activities of the MPA:

- Community & Police Consultative Groups and Independent Custody Visitor Panels;
- External Audit fees.

MPA

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	0	0
Police Staff (Civil Staff) Pay	4,035	4,287
Police Staff (Traffic Wardens) Pay	0	0
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	4,035	4,287
Police Officer Overtime	0	0
Police Staff (Civil Staff) Overtime	12	13
Police Staff (Traffic Wardens) Overtime	0	0
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	12	13
Other	91	93
Total Employment Costs	4,139	4,392
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	0	0
Transport Costs	21	20
Supplies and Services	1,051	465
Total Devolved Running Expenses	1,071	485
Total Direct Operating Costs	5,210	4,877
Servicewide Expenses:		
Employee Related Costs	200	260
Premises Costs	960	960
Transport Costs	4	4
Supplies and Services	2,967	2,990
Capital Financing Costs	0	0
MPA Contingency	12	0
Total Servicewide Expenses	4,143	4,214
Yet to be allocated	0	0
TOTAL EXPENDITURE	9,353	9,091
Devolved Income	0	0
Interest Receipts	0	0
Other Servicewide Income	0	0
TOTAL INCOME	0	0
NET EXPENDITURE/(INCOME)	9,353	9,091

Territorial Policing

Business Group:	Territorial Policing
Responsible Officer:	Assistant Commissioner Territorial Policing

Key Activities:

TP Business Group

Territorial Policing Business Group (TP) consists of three sub-business Groups; Boroughs, pan London units and Territorial Policing Headquarters (TPHQ).

Borough role/function

There are 32 borough units within TP. Borough based policing is the primary MPS policing unit, meeting the needs of 24/7 policing and providing a response service based on partnership working. Boroughs focus their delivery by taking specific action in support of the corporate policing priorities and local priorities identified with their local partners in their Crime and Disorder Reduction Plans. The introduction of the safer neighbourhood approach to delivering policing locally begins in 2004/05 when at least three neighbourhoods on each borough will have dedicated police officers and police and community support staff.

Under the budget devolution project all boroughs have greater flexibility (and accountability) over the use of police pay within their overall budget. The business rules associated with budget devolution are described in the Scheme of Devolved Financial Management.

Pan London role/function

Pan London units support boroughs to secure the capital against terrorism and to deliver against other corporate priorities. The units cover specialist functions:

- Crime Command
- Clubs & Vice
- Traffic
- Operational Support (Marine, Dog and Air Support Units)
- Territorial Support Group
- Transport

TPHQ role/function

TPHQ provides leadership through effective tasking of TP resources, overseeing reviews and changes, and providing support to help boroughs to deliver against corporate targets. TPHQ resources are structured within three commands:

i) Strategic Development, which includes:

- Strategic Research
- Performance and Development
- Planning
- Policing model
- Community Safety and Partnership
- Criminal Justice
- Patrol and Metcall

ii) Business Development which focuses on resource planning to support strategic development and the delivery of policing services across the MPS

iii) Territorial Policing Support Command, which includes the TP Support Command Unit and focuses on pan London resource management to support the delivery of policing services across the MPS.

TP Programme of Work 2004/05 – key activities

The Annual Policing and Performance Plan for 2004/05 details the operational objectives for which TP is either the lead or plays a significant part in delivery. Those objectives are:

- To increase the satisfaction with the way neighbourhoods are policed in London
- To increase visible police presence
- To reduce Anti Social Behaviour
- To reduce the level of robbery, burglary and vehicle crime
- To reduce the incidence of burglary and autocrime
- Reduce the incidence of auto crime
- To increase the number of offenders brought to justice
- To increase the number of crimes detected, and specifically rape, racial, domestic violence and homophobic crimes
- To reduce the number of warrants outstanding
- Improve victim care and investigation in cases of rape
- To reduce the level of gun-enabled crime
- To increase proactivity against drug markets

The TP Programme of Work for 2004/05 details the activities and products that will be undertaken and delivered to support the delivery of those objectives. Much of the work required is set out within the following key enabling projects:

- Project Diamond – C3i and modernising operations
- Safer Neighbourhoods – reassurance based policing
- Civilianisation
- Project Emerald – revitalising the contribution to the Criminal Justice System
- Greater devolution of budgets to enable greater accountability at operational level.

Territorial Policing Business Group

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	791,422	853,212
Police Staff (Civil Staff) Pay	114,226	132,267
Police Staff (Traffic Wardens) Pay	15,601	10,815
Police Staff (Police Community Support Officers) Pay	14,507	41,141
Total Pay	935,757	1,037,435
Police Officer Overtime	50,244	58,304
Police Staff (Civil Staff) Overtime	7,003	6,871
Police Staff (Traffic Wardens) Overtime	1,738	702
Police Staff (Police Community Support Officers) Overtime	125	770
Total Overtime	59,110	66,647
Other	946	1,527
Total Employment Costs	995,812	1,105,609
Police Officer Pensions	0	3,425
Devolved Running Expenses:		
Premises Costs	7,784	12,662
Transport Costs	11,825	11,846
Supplies and Services	56,832	76,595
Total Devolved Running Expenses	76,441	101,103
Total Direct Operating Costs	1,072,253	1,210,137
Servicewide Expenses:		
Employee Related Costs	55	8
Premises Costs	0	1,658
Transport Costs	903	2,264
Supplies and Services	8,589	8,392
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	9,546	12,321
Yet to be allocated	0	0
TOTAL EXPENDITURE	1,081,800	1,222,458
Devolved Income	-1,377	-11,799
Interest Receipts	0	0
Other Servicewide Income	-29,708	-60,939
TOTAL INCOME	-31,085	-72,738
NET EXPENDITURE/(INCOME)	1,050,714	1,149,720

Territorial Policing Business Group - Boroughs

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	678,162	715,340
Police Staff (Civil Staff) Pay	87,835	97,549
Police Staff (Traffic Wardens) Pay	0	0
Police Staff (Police Community Support Officers) Pay	10,997	29,975
Total Pay	776,994	842,864
Police Officer Overtime	28,066	30,408
Police Staff (Civil Staff) Overtime	5,457	3,659
Police Staff (Traffic Wardens) Overtime	0	0
Police Staff (Police Community Support Officers) Overtime	125	331
Total Overtime	33,648	34,398
Other	417	424
Total Employment Costs	811,059	877,685
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	4,825	8,995
Transport Costs	7,703	7,164
Supplies and Services	47,063	62,024
Total Devolved Running Expenses	59,591	78,183
Total Direct Operating Costs	870,650	955,868
Servicewide Expenses:		
Employee Related Costs	0	0
Premises Costs	0	0
Transport Costs	0	0
Supplies and Services	0	0
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	0	0
Yet to be allocated	0	0
TOTAL EXPENDITURE	870,650	955,868
Devolved Income	-89	-555
Interest Receipts	0	0
Other Servicewide Income	0	0
TOTAL INCOME	-89	-555
NET EXPENDITURE/(INCOME)	870,560	955,313

Territorial Policing Business Group - Pan London

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	113,260	137,872
Police Staff (Civil Staff) Pay	26,391	34,718
Police Staff (Traffic Wardens) Pay	15,601	10,815
Police Staff (Police Community Support Officers) Pay	3,510	11,166
Total Pay	158,762	194,571
Police Officer Overtime	22,178	27,896
Police Staff (Civil Staff) Overtime	1,546	3,211
Police Staff (Traffic Wardens) Overtime	1,738	702
Police Staff (Police Community Support Officers) Overtime	0	439
Total Overtime	25,463	32,249
Other	529	1,103
Total Employment Costs	184,754	227,923
Police Officer Pensions	0	3,425
Devolved Running Expenses:		
Premises Costs	2,959	3,667
Transport Costs	4,122	4,682
Supplies and Services	9,769	14,571
Total Devolved Running Expenses	16,850	22,920
Total Direct Operating Costs	201,641	254,269
Servicewide Expenses:		
Employee Related Costs	55	8
Premises Costs	0	1,658
Transport Costs	903	2,264
Supplies and Services	8,589	8,392
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	9,546	12,321
Yet to be allocated	0	0
TOTAL EXPENDITURE	211,150	266,590
Devolved Income	-1,288	-11,244
Interest Receipts	0	0
Other Servicewide Income	-29,708	-60,939
TOTAL INCOME	-30,996	-72,183
NET EXPENDITURE/(INCOME)	180,154	194,407

Specialist Crime Directorate

Business Group:	Specialist Crime Directorate
Responsible Officer:	Assistant Commissioner Specialist Crime

Service Description:

The Specialist Crime Directorate is responsible for a number of corporate functions in the areas of intelligence, forensics, child protection, homicide, class A drugs, asset seizure and organised crime. The Directorate's mission is to support Management Board in the policing of London by developing a framework that will:

- Combat organised crime especially in vulnerable communities
- Improve investigation, detection and prevention of homicide offences
- Develop partnerships to fight fraudulent crime against the business community
- Use the latest confiscation legislation to deter criminals from pursuing their activities
- Enhance forensic detection and support
- Make effective use of intelligence in preventing and reducing crime
- Protect children from harm
- Reduce the supply and demand of Class A drugs
- Improve our links with boroughs and other units in their efforts to make London safer
- Contribute to the overall quality of life for Londoners

Key Activities:

Investigation and prevention of specialist crimes

1. The investigation, detection and prevention of homicide offences
2. Investigation of organised crime and dismantling criminal networks
3. To disrupt and reduce the level of criminal use of firearms
4. To counter the ability of class A drugs suppliers to trade their harmful commodity
5. Dealing with kidnaps, contract killings, hostage situations, blackmail and extortion and the investigation of serious armed robbery
6. Improving the protection and safety of children from physical and sexual abuse especially predatory paedophiles
7. Investigation of financial crime, money laundering, art and antiques offences, extradition requests, witness and jury protection and serious organised motor vehicle crime

Intelligence

1. Development of the MPS provision of surveillance facilities, covert operations and supervision of directed surveillance
2. Disruption of trafficking offences, namely Class A drugs, firearms and humans
3. Implementation and integration of the National Intelligence Model
4. To identify cross border and linked series sexual offences

Forensic Services Directorate

1. Provision of a comprehensive crime scene examination and managing service delivery of a range of forensic services in high profile crime, including terrorism
2. Identification of persons through fingerprint examination and the presentation of expert evidence of such identification in court
3. Provision of specialist photographic services including surveillance at crime scenes, and visual representation of evidential material

Policy Co-ordination, Change Management and Business Support

1. To co-ordinate formulation of specialist crime policy
2. Environmental scanning for issues relating to specialist crime
3. The delivery of investigative based training courses through the Crime Academy
4. Reviewing all aspects of performance, identifying key operational areas for improvement, minimising risk and developing an effective inspection regime
5. The effective and efficient use of finance and resources, provision of a strategic direction to Human Resource issues and establish robust mechanisms for monitoring and reviewing our performance against set targets
6. To develop and enhance the Directorate's reputation and celebrate its successes
7. To manage our change programme portfolio

Specialist Crime Directorate

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	112,354	134,096
Police Staff (Civil Staff) Pay	57,826	63,998
Police Staff (Traffic Wardens) Pay	0	0
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	170,180	198,094
Police Officer Overtime	16,849	17,526
Police Staff (Civil Staff) Overtime	3,709	3,716
Police Staff (Traffic Wardens) Overtime	0	0
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	20,558	21,242
Other	817	665
Total Employment Costs	191,555	220,001
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	305	626
Transport Costs	6,435	6,373
Supplies and Services	17,065	29,922
Total Devolved Running Expenses	23,805	36,920
Total Direct Operating Costs	215,360	256,921
Servicewide Expenses:		
Employee Related Costs	1	1
Premises Costs	0	1,400
Transport Costs	4	3
Supplies and Services	39,902	14,910
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	39,907	16,314
Yet to be allocated	0	0
TOTAL EXPENDITURE	255,268	273,234
Devolved Income	-345	-1,885
Interest Receipts	0	0
Other Servicewide Income	-11,266	-10,045
TOTAL INCOME	-11,611	-11,930
NET EXPENDITURE/(INCOME)	243,657	261,304

Specialist Operations

Business Group:	Specialist Operations
Responsible Officer:	Assistant Commissioner Specialist Operations

Service Description:

To secure the Capital against terrorism and provide national and pan London functions in support of borough commanders to make London a safer place

Key Activities:

- Disruption, prevention, detection and investigation of terrorist attacks including the prosecution of offenders.
- Provision of a Pan London security co-ordination capability
- Assisting HMG to formulate a co-ordinated national response to terrorist threats, or incidents assessed as being of national significance.
- Responding to suspected and actual terrorist incidents, including consequence management.
- A remit to acquire, evaluate and disseminate intelligence relating to terrorism and related security threats including material with national or international dimensions.
- Security of the Royal Family and other protected persons in partnership with other agencies.
- Provision of protection arrangements for the Palace of Westminster, foreign missions, government offices, residences of government ministers, peers and VIPs.
- Provision of specialist firearms officers to respond to armed crime and support unarmed officers
- Provision of a centre of expertise in all aspects of armed deployments and operations
- Provision of 24 hour emergency response at Heathrow Airport dealing with all aspects of policing.
- In concert with other partners the development of an effective aviation security regime at Heathrow consistent with the terrorist threat.
- Maintain the national collection of microfiche records and provide information from them as a common police service
- Provide a nationwide service for the disclosure of information from national police records to members of the public under the Data Protection Act (1998)

Specialist Operations Business Group

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	133,826	145,144
Police Staff (Civil Staff) Pay	34,373	33,968
Police Staff (Traffic Wardens) Pay	1,796	1,781
Police Staff (Police Community Support Officers) Pay	896	836
Total Pay	170,891	181,729
Police Officer Overtime	18,832	19,990
Police Staff (Civil Staff) Overtime	3,169	3,198
Police Staff (Traffic Wardens) Overtime	485	429
Police Staff (Police Community Support Officers) Overtime	10	10
Total Overtime	22,497	23,627
Other	326	750
Total Employment Costs	193,714	206,106
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	195	349
Transport Costs	5,914	5,418
Supplies and Services	8,402	9,248
Total Devolved Running Expenses	14,511	15,015
Total Direct Operating Costs	208,225	221,120
Servicewide Expenses:		
Employee Related Costs	840	749
Premises Costs	600	600
Transport Costs	95	217
Supplies and Services	4,100	2,295
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	5,635	3,861
Yet to be allocated	0	0
TOTAL EXPENDITURE	213,860	224,981
Devolved Income	-46,369	-49,254
Interest Receipts	0	0
Other Servicewide Income	-16,729	-13,393
TOTAL INCOME	-63,098	-62,647
NET EXPENDITURE/(INCOME)	150,762	162,334

Deputy Commissioner's Command

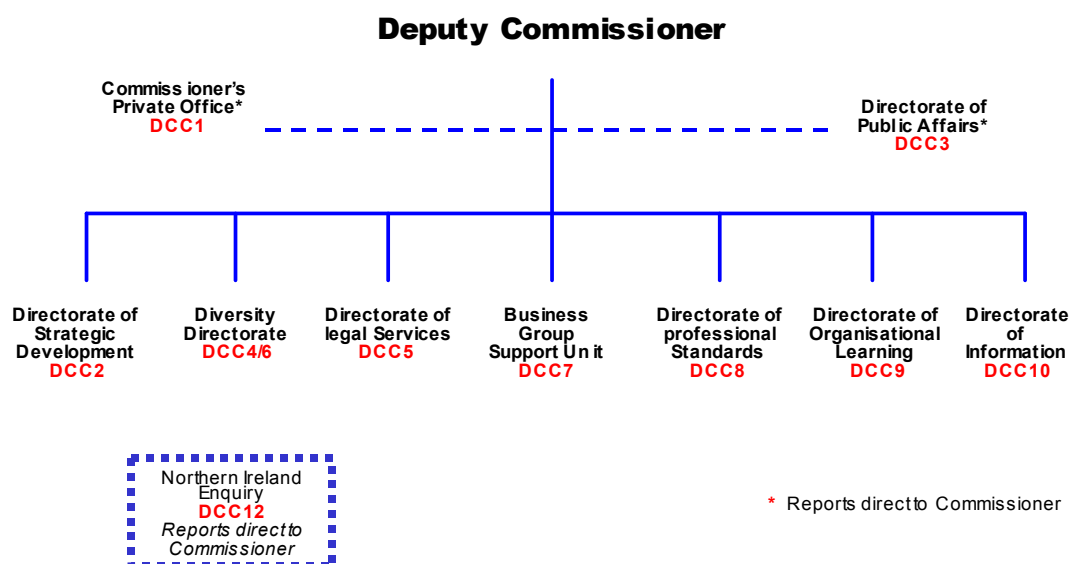
Business Group:	Deputy Commissioner's Command
Responsible Officer:	Deputy Commissioner

Service Description:

For the purposes of the Budget Book, the Deputy Commissioner's Command is sub-divided into five principal groups: the Directorate of Information: the Directorate of Professional Standards: the Diversity Directorate; the Directorate of Public Affairs, and the remaining part of DCC that includes Strategic Development, Legal Services and business support for the Command. Details of the Service provided by these units and their key activities are contained in the following pages.

Structure of DCC:

Deputy Commissioner's Command Organisational Structure



The Deputy Commissioners Command comprises the following Directorates/Units:

- DCC 1** Commissioner Private Office & Chief of Staff
- DCC 2** Directorate of Strategic Development
- DCC 3** Directorate of Public Affairs
- DCC 4** Diversity Directorate
- DCC 5** Directorate of Legal Services
- DCC 6** Development & Organisation Improvement Team
- DCC 7** Business Support (inc COMETS & MPAA)
- DCC 8** Directorate of Professional Standards
- DCC 9** Directorate of Organisational Learning
- DCC 10** Directorate of Information
- DCC 12** Northern Ireland (Stevens) Enquiry

Deputy Commissioner's Command Business Group

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	40,169	44,298
Police Staff (Civil Staff) Pay	87,821	107,146
Police Staff (Traffic Wardens) Pay	0	0
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	127,990	151,444
Police Officer Overtime	4,351	4,729
Police Staff (Civil Staff) Overtime	2,792	4,471
Police Staff (Traffic Wardens) Overtime	0	0
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	7,143	9,200
Other	3,178	1,938
Total Employment Costs	138,311	162,582
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	5	326
Transport Costs	2,399	2,529
Supplies and Services	18,420	16,475
Total Devolved Running Expenses	20,823	19,330
Total Direct Operating Costs	159,134	181,912
Servicewide Expenses:		
Employee Related Costs	2,126	2,191
Premises Costs	3,165	365
Transport Costs	0	0
Supplies and Services	112,360	119,366
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	117,652	121,922
Yet to be allocated	0	0
TOTAL EXPENDITURE	276,786	303,834
Devolved Income	-1,992	-2,286
Interest Receipts	0	0
Other Servicewide Income	-1,388	-1,328
TOTAL INCOME	-3,380	-3,613
NET EXPENDITURE/(INCOME)	273,406	300,221

Business Group:	Deputy Commissioner's Command
Sub-Business Group:	Directorate of Public Affairs and Internal Communication
Responsible Officer:	Director of Public Affairs

Service Description:

To provide professional and high quality communication services to support the Metropolitan Police Service vision '*To make London the safest major city in the world*'.

Key Activities:

- Promote the work of the MPS, its successes and achievements.
- Identify and manage major issues that could impact on the MPS and its image.
- Maintain, develop and safeguard the integrity of a corporate style and identity.
- Develop and implement advertising campaigns to support the policing priorities.
- Provide a 24-hour news service to handle media enquiries and interview requests.
- Provide communication expertise and guidance to officers and civil staff – where necessary attending the scene of critical incidents and GOLD groups.
- Assist the media at the scene of critical incidents to obtain information, images and interviews with police officers.
- Manage and oversee filming opportunities, documentary requests and feature articles to highlight the work of the MPS.
- Manage the internal communication strategy and develop effective communication policies across the organisation.
- Support the development and implementation of Communication Action Plans across the Service.
- Manage the varied methods of communicating with MPS staff including The Job, Police Notices and Mission, Vision and Values seminars.
- Manage the corporate content of the MPS Intranet and Internet sites.
- Support the development of a professional and effective workforce by providing media training to those police officers and civil staff who have to give media interviews.
- Monitor media coverage, provide a press cutting service and respond to any unfair reporting.
- Liaise with the MPA, GLA, Independent Advisory Group, government and other agencies on communication issues.

Deputy Commissioner's Command Business Group - Directorate of Public Affairs and Internal Communication

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	0	0
Police Staff (Civil Staff) Pay	2,594	2,755
Police Staff (Traffic Wardens) Pay	0	0
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	2,594	2,755
Police Officer Overtime	0	0
Police Staff (Civil Staff) Overtime	100	96
Police Staff (Traffic Wardens) Overtime	0	0
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	100	96
Other	26	41
Total Employment Costs	2,720	2,892
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	0	0
Transport Costs	26	57
Supplies and Services	405	439
Total Devolved Running Expenses	430	496
Total Direct Operating Costs	3,150	3,388
Servicewide Expenses:		
Employee Related Costs	0	0
Premises Costs	0	0
Transport Costs	0	0
Supplies and Services	3,288	3,238
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	3,288	3,238
Yet to be allocated	0	0
TOTAL EXPENDITURE	6,438	6,626
Devolved Income	-112	-112
Interest Receipts	0	0
Other Servicewide Income	0	-3
TOTAL INCOME	-112	-115
NET EXPENDITURE/(INCOME)	6,326	6,511

Business Group:	Deputy Commissioner's Command
Sub-Business Group:	Diversity Directorate
Responsible Officer:	Commander, Diversity Directorate

Service Description:

The Directorate takes the corporate lead on the development and progression of the Metropolitan Police Diversity Strategy and the continual striving to improve public confidence in the response of the MPS to the prevention and investigation of all types of hate crime.

The Development and Organisation Implementation Team (DOIT), which is the internally focused part of the Diversity Directorate has the corporate lead for improving the way in which we treat each other, how we manage each other and how we work with difference.

Key Activities:

The main aims and functions of the Diversity Directorate are to:

- Continually strive to improve the public's confidence in the response of the MPS to the prevention and investigation of all types of hate crime
- Conduct the investigation (or re-investigation) of major hate crimes
- Set and develop operational standards for hate crime investigation, community safety units, victim care, family liaison, and the use of intelligence to combat hate crime, and to ensure that appropriate training is delivered in these areas
- Support boroughs and the MPS in the prevention and investigation of hate crime and the provision of support for the families of victims
- Provide the corporate lead in using and developing independent advice
- Embrace the provisions of the Disability Discrimination Act 1995 and the Race Relations Amendment Act and ensure compliance with the relevant legislation throughout the MPS
- Provide a corporate lead in understanding disproportionality in service delivery.

This work is complemented with the work of the Development and Organisation Implementation Team (DOIT) which is responsible for four main strands of work relating to Diversity, Leadership, Fairness and Learning.

- The Development Organisation Improvement Team are the Service co-ordinators for mentoring.
- The Diversity strand manages the Active Career Development Programme (ACDP) and the 0-5 years support and development scheme for visible ethnic minority police staff.
- The Leadership strand manages the High Potential Development Scheme (HPDS) and the Commissioner's Leadership Programme.
- DOIT also provides support to under-represented groups within the MPS through such initiatives as the 'Gender Agenda' and supports the activities various faith and disability groups.

The work of DOIT is not only internally focused and members of the team are also involved in recruiting events that are focused on groups that are currently under-represented within the MPS.

Deputy Commissioner's Command Business Group - Diversity Directorate

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	5,703	8,397
Police Staff (Civil Staff) Pay	1,061	1,930
Police Staff (Traffic Wardens) Pay	0	0
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	6,764	10,327
Police Officer Overtime	898	1,205
Police Staff (Civil Staff) Overtime	83	62
Police Staff (Traffic Wardens) Overtime	0	0
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	982	1,267
Other	224	145
Total Employment Costs	7,970	11,739
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	1	1
Transport Costs	521	407
Supplies and Services	1,351	2,848
Total Devolved Running Expenses	1,874	3,256
Total Direct Operating Costs	9,844	14,995
Servicewide Expenses:		
Employee Related Costs	0	2,191
Premises Costs	0	0
Transport Costs	0	0
Supplies and Services	0	0
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	0	2,191
Yet to be allocated	0	0
TOTAL EXPENDITURE	9,844	17,186
Devolved Income	-91	-91
Interest Receipts	0	0
Other Servicewide Income	0	0
TOTAL INCOME	-91	-91
NET EXPENDITURE/(INCOME)	9,753	17,095

Business Group:	Deputy Commissioner's Command
Sub-Business Group:	Directorate of Professional Standards
Responsible Officer:	DAC Professional Standards

Service Description:

The Directorate of Professional Standards has brought together the former Complaints Investigation Bureau (CIB 1, 2 and 3), Area Complaints Units and, more recently, Accident Claims Branch and the Employment Tribunals and Grievance Advice Unit to provide an integrated approach to the prevention and investigation of:

- Unprofessional & unethical behaviour;
- Complaints & discipline;
- Civil actions, claims against the Commissioner and Employment Tribunal issues; and
- Corruption & dishonesty.

Key Activities:

The Directorate provides:

- A single, cohesive command with consistency in decision making;
- Accountability and transparency;
- An integrated and intelligence led approach targeting individuals of concern; and
- An integrated tasking and co-ordination system to ensure a focus on our priorities is maintained and all the units that make up the Directorate are working towards the same goals.

Key activities undertaken by the Directorate include:

- Developing and implementing risk reduction measures across the MPS
- Developing and implementing the Professional Standards and Risk Management Strategy
- Driving through necessary changes in conjunction with the Quality, Performance and Risk Management Group (QPRMG)
- Monitoring and adjusting the Strategy when required
- Developing, approving and monitoring professional standards policies across the MPS.

This is intended to lead to greater confidence on the part of MPS staff and the public in the ability of the Directorate:

- To investigate these matters in a fair, impartial, proportionate and timely way
- To protect MPS staff from malicious and unfounded allegations and claims, and
- To demonstrate that the MPS is truly intolerant of unprofessional behaviour, malpractice and corruption and dishonesty.

Deputy Commissioner's Command Business Group - Directorate of Professional Standards

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	18,194	19,072
Police Staff (Civil Staff) Pay	4,748	6,191
Police Staff (Traffic Wardens) Pay	0	0
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	22,942	25,263
Police Officer Overtime	2,136	2,166
Police Staff (Civil Staff) Overtime	173	180
Police Staff (Traffic Wardens) Overtime	0	0
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	2,308	2,346
Other	84	87
Total Employment Costs	25,334	27,696
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	0	0
Transport Costs	1,042	871
Supplies and Services	1,773	2,201
Total Devolved Running Expenses	2,815	3,072
Total Direct Operating Costs	28,149	30,768
Servicewide Expenses:		
Employee Related Costs	0	0
Premises Costs	0	0
Transport Costs	0	0
Supplies and Services	14,578	13,328
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	14,578	13,328
Yet to be allocated	0	0
TOTAL EXPENDITURE	42,727	44,096
Devolved Income	-620	-620
Interest Receipts	0	0
Other Servicewide Income	0	0
TOTAL INCOME	-620	-620
NET EXPENDITURE/(INCOME)	42,107	43,476

Business Group:	Deputy Commissioner's Command
Sub-Business Group:	Directorate of Information
Responsible Officer:	Director of Information

Service Description:

The Directorate of Information (DOI) provides the Metropolitan Police Service (MPS) with a flexible and reliable technology and communications infrastructure as well as effective information systems. It explores new opportunities provided by developments in information and communications technology and its role in applying technology to policing.

DOI also:

- operates front-line services – call handling and demand management services for 999 and non-emergency contact
- deploys real-time overt and covert technology solutions to support policing operations
- helps to ensure that accurate and quality up to date information is available to operational staff at the point of need
- provides technology-related evidential analysis services, and facilitates technology enabled business change

Key Activities:

FRONT-LINE SERVICES

- **Communications Programme & C3i** – C3i, the Command, Control, Communications and Information Programme is the biggest business change programme ever undertaken in the MPS and will completely alter the way the MPS conducts its core policing functions. The Information Room (IR) is part of the central communications complex and is currently responsible for the receipt of emergency calls and the deployment of police resources. The C3i programme will create the Metcall OCU, which will be part of the Directorate of Information. The Metcall OCU, will be the largest operational command unit in the UK. Its three Command, Control and Communications Centres will handle all 999 calls and directly deploy police resources to where they are needed most, providing public reassurance through a world-class service for London.
- **Technology Group - Operational Technical Support Unit (OTSU)** – Provides real-time technology solutions to support counter terrorist activities, ceremonial and public order events, response to critical incidents including hostage, kidnap and homicide incidents, as well as security and protection systems for MPS staff and members of the public who are under threat. OTSU also provides a technology related evidential analysis service for Specialist Operations.

SERVICES SUPPORTING THE FRONT LINE

- **Service Delivery Group (SDG)** – Provide services to support 43,000 police officers and police staff. SDG ensures the Telephony, Radio and IT services used by the MPS are supplied as effectively and efficiently as possible working in partnership with five external service providers – Damovo (Telephony), Ntl (Radio), SchlumbergerSema (IT), EDS (CRIS) and Unisys (Command and Control). In addition SDG provide support for Secure Systems, which for security reasons cannot be managed by non-MPS staff. Records Management and NSY Library Services are also provided for all MPS police officers and staff.
- **Infrastructure Programme Group (IPG)** – Works to improve the effectiveness and efficiency of the current MPS IT/IS Infrastructure through a combination of national policy on Information Systems and best value solutions in the technology market. The Infrastructure Programme provides policing intelligence through projects like MCRAC2, CRIMINT2 and DIANE, which provide operational police officers with better intelligence, improved data accuracy and better management of information helping our police officers to provide a more effective service to the people of London. Projects like STOPS and MERLIN provide single source database facilities, which significantly reduce the time police officers spend searching for the information, freeing up their time for front-line policing priorities.
- **Business Development, Liaison and Strategy (BDLS)** – Provides front line DOI contact to the whole of the MPS. This includes analysing, understanding and translating policing needs into viable technology solutions that contribute to front-line policing. The BDLS, through the information management help to ensure that accurate and up to date information is available to operational staff. This can be critical for officer safety and improves the quality of the management information we use to determine the deployment of policing resources. In addition BDLS ensures that MPS staff, information and equipment are protected through the enforcement of security policy and procedures.

BUSINESS SUPPORT SERVICES

- This area of the business is responsible for providing effective business support to the DOI; enabling it to serve its HQ and front-line customers. Their work covers Business Services: resource management, accommodation, HR, and training. The Quality Group and the Secretariat, which supports Information Board, provide business support to the DOI.

Deputy Commissioner's Command Business Group - Directorate of Information

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	9,484	9,940
Police Staff (Civil Staff) Pay	65,790	81,873
Police Staff (Traffic Wardens) Pay	0	0
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	75,275	91,813
Police Officer Overtime	1,113	1,134
Police Staff (Civil Staff) Overtime	2,277	3,960
Police Staff (Traffic Wardens) Overtime	0	0
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	3,390	5,094
Other	2,440	1,201
Total Employment Costs	81,104	98,108
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	2	324
Transport Costs	502	816
Supplies and Services	11,569	9,244
Total Devolved Running Expenses	12,074	10,384
Total Direct Operating Costs	93,179	108,492
Servicewide Expenses:		
Employee Related Costs	800	0
Premises Costs	3,165	365
Transport Costs	0	0
Supplies and Services	86,588	95,347
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	90,553	95,712
Yet to be allocated	0	0
TOTAL EXPENDITURE	183,732	204,204
Devolved Income	-820	-670
Interest Receipts	0	0
Other Servicewide Income	-579	-444
TOTAL INCOME	-1,399	-1,114
NET EXPENDITURE/(INCOME)	182,333	203,090

Business Group:	Deputy Commissioner's Command
Sub-Business Group:	Deputy Commissioner's Command (excluding DPA, Diversity, DPS and DoI)
Responsible Officer:	Deputy Commissioner

Service Description:

The business group focuses the key strategic functions of corporate governance (through the MPS Inspectorate, Corporate Risk Management Group and the Directorate of Legal Services) and also has responsibility for Corporate Planning, monitoring Corporate Performance, business improvement and a number of major programmes that will significantly change the way in which the MPS does its business.

Within the Deputy's Command, the support provided by the Commissioner's Private Office enables the top command team to respond quickly to issues of the day, largely working with the MPA, the Greater London Assembly (GLA) and the Mayor's Office.

Key Activities:

- Providing the main interface of the MPS with key external customers, decision makers and opinion formers through the Commissioner's Private Office
- Ensuring continuous improvement of the organisation's performance by the
- Promotion of the Excellence Model and support of Best Value Reviews
- Monitoring of performance and the production of appropriate reports for internal and external stakeholders
- Development and maintenance of the corporate performance management framework
- Undertaking of inspections of the MPS on behalf of Management Board
- Provision of support to other parts of the organisation through performance reviews, inspections and provision of consultancy services.
- Co-ordinating the management of organisational growth and the further devolution of budgetary responsibility through the Step Change Programme and Budget Devolution Teams
- Maintaining the corporate lead in the development of the new corporate plan and, in conjunction with the MPA, the Annual Policing Plan through the work of the Corporate Planning Unit
- Continuing to develop more effective methods of monitoring corporate performance and deployment of resources through such initiatives as the development of the Operational Policing Measure
- Co-ordinating and ensuring delivery of major change programmes, such as reforming the delivery of policing services
- Ensuring compliance with National Crime Reporting Standards (NCRS) through the Force Crime Registrar for the MPS

**Deputy Commissioner's Command Business Group - DCC Excluding DPA, Diversity,
DPS and Dol**

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	6,788	6,890
Police Staff (Civil Staff) Pay	13,628	14,397
Police Staff (Traffic Wardens) Pay	0	0
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	20,415	21,287
Police Officer Overtime	204	224
Police Staff (Civil Staff) Overtime	159	174
Police Staff (Traffic Wardens) Overtime	0	0
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	363	398
Other	404	464
Total Employment Costs	21,182	22,149
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	2	0
Transport Costs	308	378
Supplies and Services	3,321	1,744
Total Devolved Running Expenses	3,631	2,122
Total Direct Operating Costs	24,813	24,271
Servicewide Expenses:		
Employee Related Costs	1,326	0
Premises Costs	0	0
Transport Costs	0	0
Supplies and Services	7,906	7,453
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	9,232	7,453
Yet to be allocated	0	0
TOTAL EXPENDITURE	34,045	31,724
Devolved Income	-969	-1,413
Interest Receipts	0	0
Other Servicewide Income	-189	-261
TOTAL INCOME	-1,158	-1,674
NET EXPENDITURE/(INCOME)	32,887	30,050

Resources Directorate

Business Group:	Resources Directorate
Responsible Officer:	Director of Resources

Service Description:

The Resources Directorate provides customer focused support services to the whole of the Metropolitan Police Service. The key areas of core business are set out below.

Key Activities:

The key activities of the Resources Directorate are set out on the following pages. In summary they are:

- Logistical Services provides catering; commercial (including central property; linguistic and forensic medical; travel and uniform); transport; and vehicle recovery and examination services to the MPS. It also encompasses the Resources Personnel and Development Unit
- Finance Services provides financial management; corporate accounting and budgeting systems; exchequer services; and financial management information to the MPS. Procurement Services is responsible for procurement and contracting for the MPS including policy, standards and procedures
- Property Services manages the MPA estate and ensures the provision of property for the MPS and in particular estate renewal to meet the "Building Towards the Safest City" strategy. Coping with accommodation growth demands and improving resilience on an affordable basis are key responsibilities.
- The Events and Income Development Unit provides income development strategies for the MPS that align with policing priorities; develops income generation opportunities with all MPS business groups; records all MPS sponsorship and trading activities.

Resources Directorate Business Group

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	238	238
Police Staff (Civil Staff) Pay	44,162	51,725
Police Staff (Traffic Wardens) Pay	1,433	1,428
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	45,834	53,390
Police Officer Overtime	3	1
Police Staff (Civil Staff) Overtime	3,692	3,426
Police Staff (Traffic Wardens) Overtime	121	157
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	3,814	3,585
Other	648	676
Total Employment Costs	50,296	57,651
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	71	142
Transport Costs	1,559	1,033
Supplies and Services	11,008	12,272
Total Devolved Running Expenses	12,637	13,447
Total Direct Operating Costs	62,933	71,098
Servicewide Expenses:		
Employee Related Costs	1,166	6,737
Premises Costs	147,981	169,089
Transport Costs	15,297	15,494
Supplies and Services	16,822	15,844
Capital Financing Costs	14,486	16,536
MPA Contingency	0	0
Total Servicewide Expenses	195,751	223,700
Yet to be allocated	0	0
TOTAL EXPENDITURE	258,685	294,798
Devolved Income	-11,421	-14,882
Interest Receipts	-8,900	-11,100
Other Servicewide Income	-25,235	-24,290
TOTAL INCOME	-45,557	-50,272
NET EXPENDITURE/(INCOME)	213,128	244,526

Business Group:	Resources Directorate
Sub-Business Group:	Finance Services, Procurement Services
Responsible Officer	Director of Finance

Service Description:

The Director of Resources Private Office supports the Director, who is a member of Management Board; works closely with the MPA; is the principal financial adviser to the Commissioner; contributes to corporate strategy and oversees the Resources Directorate. Finance Services secures effective, well-controlled financial management in support of the policing priorities of the Commissioner, the Authority and the Mayor. Procurement Services is responsible for all procurement and contracting in support of the operational delivery of policing in the MPS. Events and Income Development Unit provides income development strategies; develops income generation opportunities with business groups; records sponsorship/trading activities. Performance and Communication Unit provides planning; performance management; communication; finance and resources; and business services for the Directorate.

Key Activities:

Director of Resources Private Office

- Provides support to the Director of Resources by liaising and co-ordinating work activities with the MPA; the Commissioner's Private Office; the Departments of the Resources Directorate and all parts of the MPS. Provides secretariat support to the Director.

Finance Services

- Ensures budgets are set in compliance with MPA/GLA timescales and ensures their sound management; provides timely/accurate responses to MPA/GLA requests re budgetary information; provides MPA/MPS management with financial advice
- Maximises funding available to the MPA/MPS; develops medium term financial forecasts
- Ensures accounts are closed in accordance with required timescales
- Supports the devolution of financial management and the development and implementation of activity based costing
- Pays invoices within payment terms; ensures the timely receipt of payments from debtors
- Ensures people receive the correct pay and pensions
- Manages cash flow, investments and borrowings and control the associated risks
- Provides the Head of Profession role for the Finance and Resource function; increases general financial awareness and management at all levels of the MPS
- Ensures corporate financial systems are available to users

Procurement Services

- Undertakes effective tendering, negotiating and awarding of all goods/service contracts
- Manages risk through development and delivery of effective procurement strategies and ensure awareness of and compliance with legal/ethical requirements and best practice.
- Provides commercial and procurement advice/assistance to the client units responsible for managing main outsource contracts; develops in conjunction with the client units, appropriate procurement strategies for the re-tendering of the main outsource contracts.
- Reviews current contracts in consultation with the relevant parties and determines any essential new requirements to support the delivery of the objective.
- Incorporates "e" enablement of the procurement process where appropriate

Events and Income Development Unit

- Develops and implements policies and processes pertaining to the commercialisation of intellectual property and events, conferences and seminars.
- Develops and implements policies and processes re increased securing of sponsorship; facilitates the management of data for sponsorship across MPS business groups.
- Co-ordinates and delivers activities celebrating the 175th anniversary of the MPS.
- Increases sustainable external funding for policing priorities across MPS business groups.

Performance and Communication Unit

- Within the Directorate drives performance improvement; provides communication services, a co-ordinated finance and resource function and a business development function.

Resources Directorate Business Group – Finance Services, Procurement Services

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	36	45
Police Staff (Civil Staff) Pay	10,764	11,496
Police Staff (Traffic Wardens) Pay	0	0
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	10,800	11,541
Police Officer Overtime	0	1
Police Staff (Civil Staff) Overtime	66	63
Police Staff (Traffic Wardens) Overtime	0	0
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	66	64
Other	432	437
Total Employment Costs	11,298	12,042
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	0	10
Transport Costs	69	34
Supplies and Services	2,394	3,557
Total Devolved Running Expenses	2,463	3,601
Total Direct Operating Costs	13,761	15,643
Servicewide Expenses:		
Employee Related Costs	1,166	6,736
Premises Costs	0	1
Transport Costs	15	0
Supplies and Services	5,297	4,936
Capital Financing Costs	14,481	16,536
MPA Contingency	0	0
Total Servicewide Expenses	20,959	28,209
Yet to be allocated	0	0
TOTAL EXPENDITURE	34,720	43,852
Devolved Income	-500	-2,197
Interest Receipts	-8,900	-11,100
Other Servicewide Income	-5,298	-4,810
TOTAL INCOME	-14,698	-18,107
NET EXPENDITURE/(INCOME)	20,022	25,745

Business Group:	Resources Directorate
Sub-Business Group:	Logistical Services
Responsible Officer:	Director of Logistical Services

Service Description:

Logistical Services comprises:

- Catering Services
- Commercial Services
- Resources Personnel and Development Unit
- Transport Services
- Vehicle Recovery and Examination Service

Key Activities:Catering Services

- 9½ million meals are supplied annually to staff on a repayment basis at 100+ permanent units around London;
- Over 600,000 meals (without charge but at predetermined levels of cost) are provided annually at temporary locations in direct support of policing at over 700 public order events and operational emergencies.

Commercial Services*Central Property Services*

- The collection, long term storage and disposal of crime related property and evidential interview tapes; the disposal of bulky property found in the streets; and the kennelling of seized dangerous dogs.

Linguistic and Forensic Medical Services

- Responsible for interpreter, translator, and forensic medical examiner services – 280 independent accredited linguists and 130 independent medical practitioners are listed with the MPS.

Travel Services

- Organises and makes all necessary UK air travel and foreign travel and accommodation arrangements for police officers and police staff on operational duties at minimum cost.

Uniform Services

- Specifies, develops, and purchases uniforms, protective clothing and associated equipment.

Resources Personnel and Development Unit

- Provides professional personnel advice, support and management information to line managers within the Resources Directorate;
- Manages a devolved Resources Directorate recruitment unit;
- Runs induction courses for new staff and developmental courses for existing staff within the Directorate;
- Administers an Interactive Learning Suite.

Transport Services

- The provision of a safe and reliable fleet comprising 4,300 MPS cars, vans and motorcycles, medium and large goods vehicles, and 14 boats - this involves their acquisition, equipping for service, repair, maintenance and end of life disposal; and approximately 1,000 hire vehicles daily through a centrally managed contract.
- The provision of drivers and vehicles around the clock in response to both pre-planned and spontaneous events;
- The operation of a centralised distribution service of goods and products to around 200 locations, and the daily collection, sorting and delivery of approximately 4½ tonnes of internal mail and forensic evidence to and from 350 MPS locations;
- The contract management of the MPS agency fuel provision, and the management and maintenance of MPS bulk fuel sites.

Vehicle Recovery and Examination Service

- Police authorised recovery, examination (forensic and mechanical), and storage of stolen vehicles, those involved in crime, illegally parked vehicles, and those involved in fatal collisions.

Resources Directorate Business Group – Logistical Services

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	202	193
Police Staff (Civil Staff) Pay	25,196	28,146
Police Staff (Traffic Wardens) Pay	1,433	1,428
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	26,831	29,767
Police Officer Overtime	3	0
Police Staff (Civil Staff) Overtime	3,430	3,140
Police Staff (Traffic Wardens) Overtime	121	157
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	3,554	3,297
Other	165	188
Total Employment Costs	30,550	33,252
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	71	132
Transport Costs	1,421	933
Supplies and Services	7,904	8,005
Total Devolved Running Expenses	9,396	9,070
Total Direct Operating Costs	39,945	42,322
Service-wide Expenses:		
Employee Related Costs	0	2
Premises Costs	32	177
Transport Costs	15,282	15,494
Supplies and Services	8,044	7,244
Capital Financing Costs	5	0
MPA Contingency	0	0
Total Service-wide Expenses	23,363	22,917
Yet to be allocated	0	0
TOTAL EXPENDITURE	63,309	65,239
Devolved Income	-10,921	-12,685
Interest Receipts	0	0
Other Service-wide Income	-4,501	-3,544
TOTAL INCOME	-15,422	-16,229
NET EXPENDITURE/(INCOME)	47,887	49,010

Business Group:	Resources Directorate
Sub-Business Group:	Property Services
Responsible Officer:	Director of Property Services

Service Description:

The MPA owns and occupies over 600 operational buildings, 1,116 residential properties and 667 rooms in section houses. It provides facilities for over 40,000 police officers and civil staff across London and is responsible for the stewardship of the police estate.

Property Services undertakes a wide range of activities on behalf of the police estate. They include the following:

- Provides strategic guidance to the MPA
- Asset manages the entire estate
- Provides property management and facilities management services
- Advises on energy issues
- Ensures on-site health and safety
- Provides maintenance
- Delivers new build procurement, including PFI/PPP
- Provides support functions for operational policing (public order and incident response)
- Specialist design (e.g. custody suites, front offices)

Key Activities:

- Managing the MPA Estate and provision of accommodation for the MPS, including asset management and investing in the estate
- Acquisition and sale of sites and buildings
- Repositioning and renewing the estate to meet policing need (as published in *Building Towards the Safest city*)
- Accommodating growth and Step Change plans along with enhancing resilience of buildings
- Facilities management: improvements and refurbishments, building and engineering maintenance, FRM liaison
- Health and safety standards
- Environmental and energy standards
- Guarding
- Utilisation and allocation
- Management of residential estate
- Operational support: providing public order and special events, forced entry teams, scenes of crime modelling, provision of covert accommodation

Resources Directorate Business Group - Property Services

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	0	0
Police Staff (Civil Staff) Pay	8,202	12,083
Police Staff (Traffic Wardens) Pay	0	0
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	8,202	12,083
Police Officer Overtime	0	0
Police Staff (Civil Staff) Overtime	196	224
Police Staff (Traffic Wardens) Overtime	0	0
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	196	224
Other	51	51
Total Employment Costs	8,449	12,358
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	0	0
Transport Costs	69	65
Supplies and Services	710	710
Total Devolved Running Expenses	779	775
Total Direct Operating Costs	9,228	13,133
Servicewide Expenses:		
Employee Related Costs	0	0
Premises Costs	147,949	168,911
Transport Costs	0	0
Supplies and Services	3,480	3,664
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	151,429	172,575
Yet to be allocated	0	0
TOTAL EXPENDITURE	160,657	185,708
Devolved Income	0	0
Interest Receipts	0	0
Other Servicewide Income	-15,436	-15,936
TOTAL INCOME	-15,436	-15,936
NET EXPENDITURE/(INCOME)	145,221	169,772

Human Resources Directorate

Business Group:	Human Resources
Responsible Officer:	Assistant Commissioner Human Resources / Director of Human Resources

Service Description:

The Human Resources (HR) Directorate is dedicated to supporting the overall Policing and Performance Plan for the MPS. The HR Directorate has adopted the approach of setting very challenging but achievable objectives and performance targets for the year 2004-05, together with a range of supporting key activities. The five HR Directorates, Strategy; Services; Recruitment; People Development; and Training & Development, will draw up detailed action plans where necessary to implement the key activities for which they are responsible.

Key Activities:

Five high level objectives have been set :-

- Achieve an increased representation of the diverse groups of London.
- Develop a professional and effective workforce
- Embed improved quality in the activity undertaken within the HR Directorate and Corporate HR function.
- Enhance organisational flexibility by supporting the MPS within the management of major change programmes
- Build a culture of safe and healthy working to maximise front line policing strength

Human Resources Directorate Business Group

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	78,988	68,713
Police Staff (Civil Staff) Pay	19,510	20,138
Police Staff (Traffic Wardens) Pay	90	153
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	98,589	89,004
Police Officer Overtime	3,656	3,531
Police Staff (Civil Staff) Overtime	306	360
Police Staff (Traffic Wardens) Overtime	0	1
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	3,961	3,892
Other	978	667
Total Employment Costs	103,528	93,563
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	937	1,232
Transport Costs	1,422	1,252
Supplies and Services	7,198	6,241
Total Devolved Running Expenses	9,557	8,725
Total Direct Operating Costs	113,085	102,287
Servicewide Expenses:		
Employee Related Costs	14,468	6,713
Premises Costs	0	0
Transport Costs	300	100
Supplies and Services	4,705	12,933
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	19,473	19,746
Yet to be allocated	0	0
TOTAL EXPENDITURE	132,558	122,034
Devolved Income	0	0
Interest Receipts	0	0
Other Servicewide Income	-26,054	-28,554
TOTAL INCOME	-26,054	-28,554
NET EXPENDITURE/(INCOME)	106,504	93,480

Business Group:	Human Resources
Sub-Business Group:	Directorate of Services, Strategy, Recruitment and People Development
Responsible Officer:	Director of Human Resources

Service Description:

The HR Directorate supports the mission, vision and values of the MPS by providing an efficient service-wide HR function, with a clear focus on directly supporting operational policing priorities and achieving a safer London. The aim of the directorate and the HR function is to attract, retain, motivate and develop enough competent staff, whilst ensuring they are well managed and are representative of the community.

Key Activities:

- To achieve an increased representation of the diverse groups of London within the extended police family of the MPS.
- To develop a professional and effective workforce with the appropriate numbers and skills to deliver the operational priorities of the MPS.
- To develop a healthy workforce and safe working practices to enable police officers and police staff to contribute effectively to operational duties.
- To embed improved quality across HR, thereby allowing the function to increase the level of quality offered in terms of policies, processes and services to support the growing workforce in delivering the operational priorities of the MPS.
- To develop a dynamic HR function that supports the delivery of the policing priorities of the MPS.

**Human Resources Directorate Business Group - Directorate of Services, Strategy,
Recruitment and People Development**

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	2,884	3,582
Police Staff (Civil Staff) Pay	12,525	12,564
Police Staff (Traffic Wardens) Pay	0	34
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	15,409	16,180
Police Officer Overtime	308	298
Police Staff (Civil Staff) Overtime	172	201
Police Staff (Traffic Wardens) Overtime	0	0
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	479	499
Other	697	519
Total Employment Costs	16,585	17,198
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	0	1,232
Transport Costs	106	113
Supplies and Services	1,796	1,921
Total Devolved Running Expenses	1,901	3,266
Total Direct Operating Costs	18,486	20,464
Servicewide Expenses:		
Employee Related Costs	8,717	6,510
Premises Costs	0	0
Transport Costs	0	0
Supplies and Services	2,120	1,973
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	10,838	8,483
Yet to be allocated	0	0
TOTAL EXPENDITURE	29,324	28,947
Devolved Income	0	0
Interest Receipts	0	0
Other Servicewide Income	0	0
TOTAL INCOME	0	0
NET EXPENDITURE/(INCOME)	29,324	28,947

Business Group:	Human Resources
Sub-Business Group:	Directorate of Training and Development
Responsible Officer:	Director of Training and Development

Service Description:

The Directorate of Training and Development is committed to providing effective and relevant training. The training will be provided across a wide range of disciplines across the geographic area of the MPS. It will also ensure the continued development of managing a European and overseas police training strategy, which will include visits, exchange students, trainers and training managers.

Key Activities:

- Improve the co-operation between the Directorate of Training and Development and other business groups to identify and deliver the training required by police officers and police staff.
- In partnership with the Resources Directorate, to review training accommodation needs and implement a three-year plan to improve the training estate. The main aims will be to enhance the capacity at the Directorate of Training and Development to respond flexibly to operational training needs and to improve accessibility to courses for all staff from all parts of the MPS.

Human Resources Directorate Business Group - Directorate of Training and Development

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	21,896	21,238
Police Staff (Civil Staff) Pay	5,258	5,790
Police Staff (Traffic Wardens) Pay	90	92
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	27,244	27,120
Police Officer Overtime	647	600
Police Staff (Civil Staff) Overtime	102	126
Police Staff (Traffic Wardens) Overtime	0	1
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	749	727
Other	274	141
Total Employment Costs	28,267	27,988
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	937	0
Transport Costs	431	387
Supplies and Services	2,694	2,250
Total Devolved Running Expenses	4,062	2,637
Total Direct Operating Costs	32,329	30,625
Servicewide Expenses:		
Employee Related Costs	1,646	193
Premises Costs	0	0
Transport Costs	300	100
Supplies and Services	60	45
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	2,006	338
Yet to be allocated	0	0
TOTAL EXPENDITURE	34,335	30,963
Devolved Income	0	0
Interest Receipts	0	0
Other Servicewide Income	0	0
TOTAL INCOME	0	0
NET EXPENDITURE/(INCOME)	34,335	30,963

Business Group:	Human Resources
Sub-Business Group:	Holding Branch
Responsible Officer:	Assistant Commissioner Human Resources / Director of Human Resources

Service Description:

Holding Branch covers a number of activities that are key to the service-wide delivery of MPS policies.

Key Activities:

- Recruit Training
- Secondment to National Crime Squad and National Criminal Intelligence Service
- External secondees e.g. Centrex, Home Office, overseas
- Association of Chief Police Officers (ACPO) Secretariat

Human Resources Directorate Business Group - Holding Branch

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	54,208	43,893
Police Staff (Civil Staff) Pay	1,728	1,784
Police Staff (Traffic Wardens) Pay	0	27
Police Staff (Police Community Support Officers) Pay	0	0
Total Pay	55,936	45,704
Police Officer Overtime	2,701	2,633
Police Staff (Civil Staff) Overtime	32	34
Police Staff (Traffic Wardens) Overtime	0	0
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	2,733	2,667
Other	7	7
Total Employment Costs	58,676	48,378
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	0	0
Transport Costs	885	751
Supplies and Services	2,709	2,070
Total Devolved Running Expenses	3,594	2,821
Total Direct Operating Costs	62,269	51,199
Servicewide Expenses:		
Employee Related Costs	4,104	10
Premises Costs	0	0
Transport Costs	0	0
Supplies and Services	2,525	10,915
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Servicewide Expenses	6,630	10,925
Yet to be allocated	0	0
TOTAL EXPENDITURE	68,899	62,124
Devolved Income	0	0
Interest Receipts	0	0
Other Servicewide Income	-26,054	-28,554
TOTAL INCOME	-26,054	-28,554
NET EXPENDITURE/(INCOME)	42,845	33,570

Police Officer Pensions

Police Officer Pensions	
--------------------------------	--

Responsible Officer:	Assistant Commissioner Human Resources / Director of Human Resources
-----------------------------	--

Key Activities:

- Payment of lump sums on retirement
- Payment of pensions to retired officers or widows and dependants
- Payment to other authorities for transfer values
- Payment of death benefits to widows and dependants
- Receipt of pension contributions/deductions as per the pension schemes
- Receipt of transfer payments by other authorities

Police Officer Pensions

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Pensions:		
Police Officer Pensions	363,361	377,841
PENSIONS INCOME	-94,644	-97,781
NET EXPENDITURE/(INCOME)	268,717	280,060

Yet to be allocated

Yet to be allocated

Responsible Officer: Director of Resources / Director of Finance

Some budgets have not yet been allocated, as the basis of allocation is not yet established. The breakdown of these budgets is as follows:

	£'000
2004/05 allocation for inflation	41,910
<ul style="list-style-type: none"> • Pay inflation will be allocated following the pay award. Non-pay inflation is being held corporately pending allocation later in the financial year 	
2004/05 allocation for police (civil) staff progression	5,767
<ul style="list-style-type: none"> • The remainder of this budget, which is for incremental progression, will be allocated following analysis of payroll data showing distribution of payments. 	
Police Officer Special Priority Payments	9,690
<ul style="list-style-type: none"> • This budget will be allocated following analysis of payroll data showing distribution of payments 	
Other	9,520
Total amount Yet to be allocated	66,887

Yet to be allocated

	Budget 2003/04	Budget 2004/05
	£'000	£'000
Employee Costs:		
Police Officer Pay	37,892	31,497
Police Staff (Civil Staff) Pay	17,846	14,681
Police Staff (Traffic Wardens) Pay	585	580
Police Staff (Police Community Support Officers) Pay	1,420	490
Total Pay	57,742	47,248
Police Officer Overtime	1,802	1,723
Police Staff (Civil Staff) Overtime	474	476
Police Staff (Traffic Wardens) Overtime	32	57
Police Staff (Police Community Support Officers) Overtime	0	0
Total Overtime	2,309	2,256
Other	0	0
Total Employment Costs	60,051	49,504
Police Officer Pensions	0	0
Devolved Running Expenses:		
Premises Costs	441	250
Transport Costs	687	983
Supplies and Services	3,659	2,430
Total Devolved Running Expenses	4,788	3,663
Total Direct Operating Costs	64,839	53,167
Service-wide Expenses:		
Employee Related Costs	413	490
Premises Costs	3,192	3,900
Transport Costs	155	420
Supplies and Services	18,839	13,771
Capital Financing Costs	0	0
MPA Contingency	0	0
Total Service-wide Expenses	22,599	18,581
Yet to be allocated	8,008	-1,000
TOTAL EXPENDITURE	95,446	70,748
Devolved Income	0	-1,700
Interest Receipts	0	0
Other Service-wide Income	0	-2,161
TOTAL INCOME	0	-3,861
NET EXPENDITURE/(INCOME)	95,446	66,887

Capital Programme 2004/05 to 2008/09

Introduction

This section sets out the five-year capital programme for the Metropolitan Police Authority for 2004/05 to 2008/09.

All projects within the programme are shown according to the year in which capital expenditure is planned to occur. Schemes are listed in accordance with the relevant business group that manages and supports delivery for the user. Individual project expenditure is not shown as this could compromise future contract negotiation. However, overall budgeted expenditure totals for each business group for each financial year are noted, as well as related revenue implementation cost where appropriate. A table summarising the scale of the five-year capital programme and how planned expenditure is intended to be funded is shown prior to the detailed business group breakdown.

Precedence has been given to those schemes that support the policing plan objectives. Key criteria were the identification of projects which

- are a statutory requirement;
- the Metropolitan Police Authority (MPA) is contractually committed to complete;
- support operational initiatives;
- are deemed essential to the delivery of significant efficiency gains; and
- replace inadequate/dilapidated accommodation and/or equipment.

Resources are inevitably limited and it is essential that timely and prudent use be made of available funds. Strict monitoring of the programme is undertaken. Regular monitoring reports are submitted to the MPA Finance Committee to confirm that projects are delivered to timetable and, in circumstances where slippage or savings have occurred, to make recommendations to ensure that judicious funds are maintained. In respect of programme slippage, the opportunity for project escalation is investigated to maintain expenditure at the budgeted level. This will eliminate, wherever possible, project management difficulties due to capacity issues.

Expenditure on the MPA Estate is essential to support operational objectives, ameliorate inadequate/dilapidated accommodation, and provide significant revenue savings. It has been acknowledged in key reports that the scale of funding which can be made available to Property Services is insufficient to fund the full range of schemes initially proposed to be undertaken over the course of this five-year programme. It is also recognised that the growth in police officer numbers and the increase in the numbers of police community support officers brings with it accommodation issues that must be addressed. In recognition of this, the land and buildings programme has been structured on a policing priority themed approach concentrating on the statutory and contractual obligations placed on the MPA. Major "themes" influencing the expenditure programme are the development of the estate including the reform of how policing services are delivered, counter-terrorism issues, improvement within the criminal justice system and the development of a professional and effective workplace. All these issues are covered in the Property Services strategy document "Building Towards a Safer City". We plan to invest £139.3m in our corporate estate over the five-year programme.

Significant investment in information technology continues to be made. The vast majority of expenditure over coming years will be devoted to (a) the conclusion of the infrastructure renewal programme - this will provide secure internal and external gateways to ensure confidentiality of systems; and (b) continued implementation of the Information Strategy – this involves the development of interrelated criminal justice, crime management, information management and intelligence systems. The information technology programme will total £140.5m over the five-year term of the programme. In addition to this, considerable information technology (IT) investment, through the C3i and Airwave projects (Metcalf), continues.

Vehicles (cars, vans and motor cycles) and boats remain essential assets in ensuring that policing within London is undertaken in an efficient and effective manner. A considerable element of the capital budget continues to be devoted to the replacement of these assets. Disposal is directed by mileage parameters that ensure that optimum use is made of our vehicles whilst keeping maintenance costs within reasonable levels. To support front line policing it is essential that there is continued

renewal of our transport fleet. This will involve expenditure of £79.7m over the period 2004/05 to 2008/09.

The equipment used on our helicopter fleet is becoming outdated and requires upgrading to take advantage of the latest technological developments. £1.4m expenditure is planned for this purpose in 2004/05.

The C3i Project involves the replacement of the Authority's command and control system. This project employs current and emerging technologies. There are growing pressures within the Metropolitan Police District to increase on street presence whilst meeting increased demand created by terrorist threats, gun crime, etc. Therefore, it is essential that the best use be made of limited police resources. To manage and satisfy public demand for police services; maintain emergency response levels; and deliver information in a timely and appropriate manner, the Service demands it has leading edge technology to enable it to deploy police officers in the most efficient and effective manner to respond to the needs of the London Community. The C3i Project is being taken forward with another scheme dealing with the upgrade of the present police radio network. This latter project is known as Project Airwave. These projects are presently estimated to spend in excess of £96m over the next three years; with completion expected in 2006/07. The majority of this expenditure is to be funded from specific grants to be awarded by the Home Office. However, an element of the total cost falls to be met from MPA sources.

The capital programme is prepared in accordance with

- determination of the funding sources available to the meet capital expenditure;
- allocation of the programme across business groups and relevant financial years;
- capacity of the business groups to manage and deliver named capital projects within timescale and cost; and
- assurance that sufficient reserves are maintained should critical capital expenditure issues arise.

The MPA is committed to continuing the expansion of officer numbers and is moving towards a total uniformed service of around 35,000 officers by the end of 2007/08. This vision is being achieved through the implementation of the Step Change Programme and the capital expenditure element of the programme is concerned with providing the accommodation and equipment for these additional officers. It has been agreed that the capital costs associated with this initiative will be funded by flexibilities provided by the new system of capital finance control to take effect from April 2004 – the Prudential Code. Capital costs for the first year of the step change programme are £23.8m, with the majority of the costs (£22.8m) occurring in 2004/05.

Allocations for business groups will largely be determined by the number of ongoing projects to which the MPA is already committed, current policing priorities and objectives, and, as previously noted, schemes which deliver significant efficiency gains. As with all expenditure plans, external factors can inevitably arise which result in projects being delayed or additional costs arising. Given such unforeseen circumstances it is imperative to maintain a prudent financial position whereby such challenging circumstances can be suitably managed. A number of major projects are reliant on developing technology or areas of volatile costs e.g. C3i Project and certain building costs. Therefore, the potential for rising costs is ever present and the capital programme is regularly reviewed to ensure that suitable re-phasing of schemes occurs should funding envelopes look likely to be breached.

A greater than expected capital settlement has been received from the Home Office for the financial year 2004/05. This level of funding has been assumed over the remaining years of the five-year capital programme.

Medium Term Capital Plan 2004/05 to 2008/09

Expenditure	Capital Expenditure					Associated Revenue Expenditure	
	2004/05 £000	2005/06 £000	2006/07 £000	2007/08 £000	2008/09 £000	2004/05 £000	Future Years £000
Property	40,854	25,796	24,231	24,231	24,231	0	0
Information Technology	27,470	29,394	27,894	27,894	27,894	13,244	14,050
Transport	17,005	12,850	17,175	17,825	14,875	0	0
Other Plant & Equipment	1,570	300	300	300	300	0	0
Total - Business Groups	86,899	68,340	69,600	70,250	67,300	13,244	14,050
C3i Programme	82,386	13,547	897	0	0	8,117	11,794
Step-Change Programme	22,799	347	355	276	0	0	0
Grand Total - All Projects	192,084	82,234	70,852	70,526	67,300	21,361	25,844

Funding	Capital Income & Receipts					Associated Revenue Funding	
	2004/05 £000	2005/06 £000	2006/07 £000	2007/08 £000	2008/09 £000	2004/05 £000	Future Years £000
Police Capital Grant	29,034	29,034	29,034	29,034	29,034		
Air Support Grant	560	0	0	0	0		
Supported Borrowing	18,999	18,999	18,999	18,999	18,999		
Unsupported Borrowing	5,000	5,000	5,000	5,000	5,000		
Capital Receipts	10,000	7,000	7,000	7,000	7,000		
Usable Capital Reserves	22,306	7,307	8,567	9,217	6,267		
Other	1,000	1,000	1,000	1,000	1,000		
Total - Funding of Business Groups	86,899	68,340	69,600	70,250	67,300		
C3i Programme - Specific Grants	40,000	30,000	10,670	0	0		
Usable Capital Reserves from Main Programme	42,386	-16,453	-9,773	0	0		
Unsupported Borrowing (Step-Change Programme) – first year only	22,799	347	355	276	0		
Total Funding	192,084	82,234	70,852	70,526	67,300		

Summary of Property Services

Main Programme Projects commencing in	Planned Capital Expenditure in:					Associated Revenue Expenditure in:	
	2004/05	2005/06	2006/07	2007/08	2008/09	2004/05	Future Years
	£000	£000	£000	£000	£000	£000	£000
2002/03	15,100	3,920	2,000	194	0	0	0
2003/04	5,369	321	0	0	0	0	0
2004/05	20,385	16,103	9,800	7,206	7,000	0	0
2005/06	0	5,452	4,000	5,000	6,000	0	0
2006/07	0	0	8,431	8,400	7,800	0	0
2007/08	0	0	0	3,431	0	0	0
2008/09	0	0	0	0	3,431	0	0
Total Property Services Projects	40,854	25,796	24,231	24,231	24,231	0	0

Summary of Directorate of Information

Main Programme Projects commencing in	Planned Capital Expenditure in:					Associated Revenue Expenditure in:	
	2004/05	2005/06	2006/07	2007/08	2008/09	2004/05	Future Years
	£000	£000	£000	£000	£000	£000	£000
1999/00	800	0	0	0	0	300	0
2000/01	1,300	1,700	1,500	1,700	50	2,629	2,800
2001/02	250	300	0	0	100	500	0
2002/03	0	250	250	250	250	0	0
2003/04	15,825	15,650	10,650	8,000	1,550	5,669	10,550
2004/05	9,295	5,900	5,900	6,400	5,500	4,146	700
2005/06	0	5,594	6,200	3,050	0	0	0
2006/07	0	0	3,394	5,100	17,050	0	0
2007/08	0	0	0	3,394	0	0	0
2008/09	0	0	0	0	3,394	0	0
Total Directorate of Information Projects	27,470	29,394	27,894	27,894	27,894	13,244	14,050

Summary of Transport Services

MAIN PROGRAMME PROJECTS	Start Year	Planned Capital Expenditure in:					Associated Revenue Expenditure in:	
		2004/05	2005/06	2006/07	2007/08	2008/09	2004/05	Future Years
		£000	£000	£000	£000	£000	£000	£000
Cars	annual	7,585	9,800	12,275	13,125	11,500	0	0
Vans and Commercial Vehicles	annual	2,450	0	0	0	0	0	0
Boats	annual	100	400	400	200	200	0	0
Motorcycles	annual	820	0	0	0	0	0	0
Equipping Fleet for Operational Service	annual	6,050	2,650	4,500	4,500	3,175	0	0
Total Transport Projects		17,005	12,850	17,175	17,825	14,875	0	0

Other Plant & Equipment Budgets

MAIN PROGRAMME PROJECTS	Start Year	Planned Capital Expenditure in:					Associated Revenue Expenditure in:	
		2004/05	2005/06	2006/07	2007/08	2008/09	2004/05	Future Years
		£000	£000	£000	£000	£000	£000	£000
Photographic Equipment	annual	122	222	222	222	222	0	0
Catering Expenditure	annual	60	60	60	60	60	0	0
Alcohol Level Testing Equipment	annual	8	8	8	8	8	0	0
Office Plant and Machinery	annual	10	10	10	10	10	0	0
Aircraft & Support Equipment	2004/05	1,370	0	0	0	0	0	0
Total Other Plant & Equipment		1,570	300	300	300	300	0	0

Metcall Project & Airwave

PROJECT STRANDS	Start Year	Planned Capital Expenditure in:					Associated Revenue Expenditure in:	
		2004/05	2005/06	2006/07	2007/08	2008/09	2004/05	Future Years
		£000	£000	£000	£000	£000	£000	£000
<u>Property Services Department</u>								
C3i Hendon	2002/03	756	0	0	0	0	0	0
C3i Lambeth	2002/03	2,305	259	0	0	0	0	0
C3i Bow	2002/03	3,080	304	0	0	0	0	0
<u>Directorate of Information</u>								
C3i Technology and consultancy	1999/00	42,954	12,614	796	0	0	3,207	3,319
Sub Total Metcall Project		49,095	13,177	796	0	0	3,207	3,319
<u>Directorate of Information</u>								
Airwave	2002/03	33,291	370	101	0	0	4,910	8,475
Sub Total Airwave		33,291	370	101	0	0	4,910	8,475
Grand Total Metcall and Airwave		82,386	13,547	897	0	0	8,117	11,794

Technical Assumptions – Capital Programme

Capital Expenditure	Classification of expenditure is undertaken in accordance with Section 40 of the Local Government and Housing Act 1989. Capital expenditure comprises of (i) the acquisition, reclamation, enhancement or laying out of land, exclusive of roads, buildings, and other structures; (ii) the acquisition, construction, preparation, enhancement or replacement of roads, buildings, and other structures; and (iii) the acquisition, installation or replacement of movable or immovable plant, machinery and apparatus and vehicles and vessels.
De Minimis Level	A lower limit of £5,000 operates for the classification of expenditure as capital on the acquisition, renewal or replacement of buildings, vehicles, plant, machinery or other equipment. This is known as the de minimis level. Below this level, it is prudent to regard expenditure on assets as revenue in nature.
Capital Grant	Grant is paid by the Home Office as a source of finance to support capital expenditure. It is not project specific.
Specific Capital Grant	Grant paid in support of a named capital project and usually in accordance with special legislative powers. Such grants will usually come from Government departments, local authorities, etc.
Supported Capital Expenditure (Revenue)	Supported capital expenditure (revenue) is a transitional replacement for supplementary credit approvals and identifies the level of capital expenditure financed through borrowing which in turn attract support through the local government revenue grant settlement.
Prudential Code	The prudential code allows local authorities to borrow money to fund capital expenditure provided that capital spending plans are affordable, prudent and sustainable. It sets out indicators and factors that must be taken into account when demonstrating that these objectives have been fulfilled. Any increase above existing levels of borrowing arising from the prudential code is not supported by Government grant.
Usable Capital Reserves	These reserves comprise (i) the Usable Capital Receipts Reserve; (ii) the Capital Grant Reserve; and (iii) the Earmarked Capital Reserve.
Usable Capital Receipts Reserve	Receipts in excess of £6,000 arising from the disposal of capital assets are credited to this account that can then be used to finance capital expenditure. The use of capital receipts is regulated by the Local Government and Housing Act 1989.

Capital Grant Reserve

All available capital grant is credited to this account and used as appropriate to fund capital expenditure.

Earmarked Capital Reserve

This reserve comprises receipts taken in prior to abolition of the set-aside rules for non-housing capital receipts (SI 1998/1937). Such receipts are commonly referred to as “in and out” receipts and are utilised for the funding of property schemes in accordance with The Local Authorities (Capital Finance) Regulations 1997.

Specific Earmarked Reserve

A reserve that contains funds specifically identified or paid to the MPS for a named project or programme of works. At the present time a specific earmarked reserve is maintained in respect of the C3i programme of works.