



Metropolitan Police Budget Book

2006-2007

Metropolitan Police Authority

Budget Book 2006/07

Revenue Budget 2006/07

and

Capital Programme 2006/07 to 2008/09

March 2006

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Foreword

This Budget Book outlines the resource allocations of both Revenue and Capital funding streams for the financial year 2006/07. The budget as approved reflects consideration by the MPS, the MPA, the Mayor and the GLA in determining funding priorities for the year.

Further efforts have been made in the budgeting processes this year to ensure that decisions about financial planning are closely linked with the operational policing priorities, as reflected in the MPS Corporate Strategy and the key priorities set out in the 2006/07 Policing Plan.

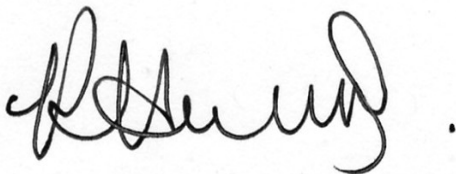
The 2006/07 budget includes financial provision for the major advance that has been made in securing the full roll out of Safer Neighbourhood teams across the whole of the MPA area. Funding is included for all of the remaining 368 wards not already covered to have a full team in place by 31 December 2006. Safer Neighbourhood teams are already having a considerable impact in improving policing performance and the further roll out will continue to facilitate improved performance both in terms of policing activity and public reassurance.

The budget includes additional resources of £30m in specific Home Office grant to improve MPS resilience in Counter Terrorism. Additional funding has also been allocated for dealing with Organised Criminal Networks and improving support for victims of crime through Victim Focus desks.

Internally, resources have been allocated for staff development in the 'Together' programme. Also investment is being made in the reconfiguration of HR Services delivery that should lead to efficiency savings in due course.

The Capital Programme sees a major increase in funding provision for the continued establishment of Safer Neighbourhood team bases and investment in the Estates Strategy. This will allow for the provision of new Custody Centres and Patrol Bases to replace existing outdated and inadequate facilities. Investment also continues to complete the installation of the new Communications, Command and Control infrastructure and other IT developments.

Major changes in funding arrangements have been reflected in the budget with revised accounting for police pensions, the restructuring of Home Office grant funding for Counter Terrorism and other specific grants. These issues need to be taken into account in making comparisons with previous years in the subjective analysis of expenditure and income.



Ken Hunt, Treasurer, MPA



Keith Luck, Director of Resources, MPS

Overview

Introduction

The Mayor's budget for 2006-07, including the total revenue budget of the Metropolitan Police Authority (MPA), was approved at the meeting of the London Assembly on 15 February 2006.

The approved budget amounts to £2,882.0 million, including expenditure financed by specific grants, an increase of 5.4% over the comparable figure for 2005-06.

The Metropolitan Police Authority approved the allocation of the 2006-07 budget on 30 March 2006.

The Authority agreed the Capital Programme at the meeting of the Finance Committee on 16 February 2006; this programme is included at part B of this document.

Revenue Budget Process

The Mayor's budget guidance for 2006-07, issued on 5 July 2005, required the Authority to contain its budget submission within a precept increase of 5.5% in each of the financial years 2006-07, 2007-08 and 2008-09.

The strategy for increasing uniformed officer numbers to 35,000 – the Step Change Programme - was to be contained within the overall precept constraint stated in the Mayor's guidance. The guidance also specifically required details to be included of proposals for the roll out a further five safer neighbourhood teams for each Borough in 2006/07 and of how a full rollout of 624 safer neighbourhood teams by 2008 would be achieved.

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 2006-07

Date	Stage	Authority/Committee
2005		
July	Budget guidance issued by the Mayor	
October	MTEP and Strategic Planning review	MPA Finance and Planning, Performance and Review Committee (combined) 10.10.05
October	Informal consultation with key stakeholders	
November	Detailed draft budget submitted to Mayor	MPA Full Authority 17.11.05
December	Budget reviewed in the light of the grant settlement and further guidance from the Mayor	MPA Full Authority 16.12.05
December	Formal consultation	Greater London Authority
2006		
January	Mayor submits initial proposals to Assembly	London Assembly 25.01.06
February	Mayor submits final proposals to Assembly	London Assembly 15.02.06
March	MPA approves allocation of budget	MPA Full Authority 30.03.06

Budget Submissions:

Table 2, over the page, sets out a summary of the build up of the final approved budget requirement. The budget has passed through three stages:

1. The draft submission as approved by the full Authority on 17 November 2005.
2. The submission, reflecting the grant settlement.
3. The budget as approved at the meeting of the London Assembly on 15 February 2006.

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Table 2: Development of the final budget showing main changes in the Authority's spending plans.

	Agreed Final GLA Approval
	£m
2005-06 Budget Requirement	2,488.3
Provision for inflation	68.5
Unavoidable expenditure commitments (Appendix 1)	76.3
Additional high priority growth (Appendix 2)	
Step Change programme	48.1
Other growth	7.1
Savings and Efficiencies (Appendix 3)	(68.3)
Change in Specific Grants	(172.9)
Change in use of reserves	(2.0)
Change in Pensions Funding	(19.4)
2006-07 Budget Requirement	2,425.7
To be funded by:	
Police Grant/Revenue Support Grant/NDR	1,818.3
Precept	607.4
	2,425.7

The final approved budget provided a net additional £32 million (£59 million in a full year) to complete the roll out of Safer Neighbourhood teams for the whole of London.

Budget requirement

The budget net of specific grant and use of balances is referred to as the 'budget requirement.' This information is set out in table 3 below.

Table 3: Budget Requirement 2006-07

	2005-06	2006-07	% change
	£m	£m	
Total Net Expenditure (incl. expenditure funded from specific grants)	2,733.1	2,882.0	5.5%
Less specific grants	222.8	432.4	94.1%
Less application of reserves	22.0	23.9	8.6%
Budget requirement	2,488.3	2,425.7	-2.5%

Although the table shows a year on year decrease in the budget requirement, the figures are not directly comparable due to a change in the financial arrangements for police officers pensions which takes effect from 1 April 2006 and transfers in grants for counter-terrorism.

Funding

The Authority's net expenditure is funded from government grant, council tax precept and the use of reserves:

- **Government Grant**

Police grant and revenue support grant (RSG) are distributed in accordance with a national relative needs formula. 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. Some £50 million was withdrawn from the special payment in 2006/07 to finance additional counter-terrorism specific grants of the same amount.

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

The grant settlement for 2006-07 was originally based on an overall increase in the national provision for policing resources of 5%. Within this overall increase, central spending on police has increased by 7.5% and earmarked funding for police authorities by 5.2% although the total available for distribution generally to police authorities was only increased by 3.4%.

Distribution of the grant for 2006-07 was based on the grant formula; a floor of 3.25% was initially set so that no authority would receive an increase less than 3.25%. The resulting range of grant increases is from 3.2% to 3.6%. A late adjustment by the Government reduced the Authority's floor slightly to 3.1%.

The Government has introduced a new system of pensions funding so that police authorities will meet an employer contribution for each officer, with shortfalls in pensions payments being met by Central Government. In moving to this new system the sum of £313 million for 2006-07 was taken out of the formula funding nationally, with similar sums to be provided to cover authorities' costs.

The figures in Table 4 below reflect the final grant settlement for the MPA. The MPA's formula grant allocation (comprising police grant, revenue support grant and non domestic rates) represents a final increase of 3.1%, with the MPA receiving the flat rate floor increase. If the grant system had operated freely the MPA would have moved from having to contribute £48 million to losing authorities in 2005/06 to receiving £35 million in 2006/07 – a worsening grant position in one year of £83 million.

Table 4: Analysis of Government Grant

	2005-06 settlement	2006-07 settlement
	£m	£m
Central funding allocated by national formula		
Police Revenue Grant	960.2	814.3
Revenue Support Grant (RSG)	630.7	684.8
Non-domestic Rates (NDR)	119.9	132.2
	1,710.8	1,631.3
Special Payment	217.0	187.0
Amending Grants	4.2	5.3
Specific Revenue Grants		
Crime Fighting Fund	73.0	73.0
Loan Charges Grant	3.4	3.3
Pay Lead Special Grant	34.0	-
Special Formula Grant	-	54.7
DNA Expansion Programme Grant	6.1	-
Funding of free travel for police officers	3.1	3.1
Airwave	6.1	-
PNB / Reform	14.6	-
Counter Terrorism		
CT Funding		
• Existing specific CT grant	61.0	61.0
• New specific CT grant	-	30.0
• Specific CT grant (top sliced from special payment)	-	50.0
• DSP related grant	-	115.8
PCSO	14.8	15.3
Street Crime	2.5	-
Neighbourhood Policing Fund	-	20.9
	222.8	432.4
Total Grant Funding	2,150.6	2,250.7

- **Council Tax Precept**

The precept required to fund the MPA budget for 2006-07 after allowing for government grant is £607.4million. This results in a Band D council tax for police purposes of £210.82 as shown in table 5 below.

Table 5: Impact of Agreed Budget on Council Tax

	2005-06	2006-07	% change
Police Precept	£ 560.5m	£607.4m	8.4%
Band D for Police Services	£196.28	£210.82	7.4%
Council tax taxbase (Band D equivalent properties)	2,855,609	2,881,186	

- **Revenue Reserves**

The 2006-07 budget assumes no movements to or from the general reserve. There is a planned movement of £23.9 million from earmarked reserves.

Table 6 shows the anticipated reserves at 1 April 2006.

Table 6: Statement of Reserves

	£m
Reserves	
General Reserve	28.4
Earmarked reserves	<u>99.8</u>
Balance as at 1 April 2006	128.2

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Appendix 1 Unavoidable Expenditure Commitments

	£m
Step change – full year effect of 2005-06 increase	9.1
Debt finance for capital programme	7.8
C3i	7.6
DNA analysis growth	6.2
Support costs of IT projects into service	4.9
Estate utilities – price increases	4.6
Airwave	4.4
Tasking	4.2
Increase in superannuation contributions for police staff	4.0
MetTime	3.6
London pay lead	3.5
Transport Services transition costs for outsource contracts	3.3
Structural under provision in SCD – police staff and running costs	3.0
Rental and related contractual liabilities (property)	2.7
ICT Transition costs (phased over 7 years)	2.0
Special priority payments/police reform	1.7
Procurement Services transitional funding for outsource contracts	1.7
Support for covert and overt ops	1.6
Increase in funding for MPS insurance and compensation	1.4
National Mobile Phone Crime Unit	1.4
Modernising Operations	1.4
Burglary sole response	1.3
Additional charges command and control	1.0
Vehicle recovery expansion	0.9
Reinstatement of one-off savings from 2005-06	0.8
Replacement of MPS helicopters	0.6
Marlowe House purchase	0.6
Free rail travel	0.5
Data centres	0.3
Sub total: committed increases	86.1
Progressive reduction in housing related allowances	-5.0
G8 committed decrease	-3.0
Implementation of Genesys solutions within Borough Operations	-0.9
Transport Services covert equip-for-service	-0.5
Tasers committed decrease	-0.4
Sub total: committed decreases	-9.8
Total	76.3

Appendix 2 Additional High Priority Growth

	£m
Completion of roll out of safer neighbourhood teams	48.1
Reconfiguration of HR services delivery model	2.0
Witness Care Unit	2.0
Organised Criminal Networks	2.0
Together approach	1.0
Increased security at Dean Farrar Street	0.1
Total	55.2

Appendix 3 Savings and Efficiencies

2006/07 Savings and Efficiencies	£m
Territorial Policing	
Crime squad - work reallocated to police officers at borough level.	3.6
Crime – rationalisation of senior management posts.	0.4
Performance Team – rationalisation of management costs.	0.5
Safer neighbourhood team – rationalisation of management costs.	0.3
Criminal Justice – rationalisation of management costs.	0.5
Modernising Operations – rationalisation of posts and support services.	0.5
Senior Management Team - rationalisation of Commander post and support staff costs.	0.2
Business Support Unit - rationalisation of police staff posts.	0.3
Boroughs - changes in staffing and other budgets.	15.0
Sub total: Territorial Policing	21.3
Specialist Crime Directorate	
Structural reconfiguration, development of new staffing models and savings from amalgamation of support functions.	6.5
Reduction in running costs associated with the savings proposals.	1.0
Sub total: Specialist Crime Directorate	7.5
Specialist Operations	
Rationalisation of police officer posts unallocated in 2005/06.	0.4
Rationalisation of held as contingency for communications equipment.	0.3
Security and Protection - rationalisation of police overtime contingency fund.	0.5
Rationalisation of - police staff posts unallocated in 2005/06.	0.2
National Public Order Intelligence Unit (NPOIU) - accommodation savings.	0.9
Counter Terrorism Command - savings identified following restructuring.	2.2
Rationalisation of Counter Terrorism Activity	1.2
Sub total: Specialist Operations	5.7
Central Services	
Staff savings across the directorate.	3.2
Rationalisation of the DPA corporate publicity budget.	0.3
Sub total: Central Services	3.5
Standards & Intelligence Command	
Staff savings across the directorate.	0.5
Rationalisation of police overtime budget and fleet vehicle costs.	0.6
Sub total: Standards & Intelligence	1.1
Directorate of Information	
Reduction in development days and expenditure on external training, police staff overtime, and other costs.	2.0
Business Support - savings on temporary staff, external training and IT/office consumables.	0.7
IT Project Group – savings on capital programme development charges.	1.2
Metcall - reduction of various budgets.	0.6
Technology Group - reduction of various budgets.	1.6
Sub total: Directorate of Information	6.1

2006/07 Savings and Efficiencies		£m
Central Operations		
Rationalisation of Headquarters office staff and consultancy budget.		0.2
Closure of the Method Indexing Office at New Scotland Yard.		0.4
Mounted Branch - rationalisation of police officer/staff posts.		1.1
Clubs & Vice - rationalisation of police officer posts.		0.1
Traffic - rationalisation of police officer/staff posts and increased income from TfL.		0.6
Central Traffic CJU – rationalisation of police staff posts and supplies spending.		1.6
Operational Support OCU - rationalisation of police officer/staff posts.		0.9
Territorial Support Group (Surveillance Unit) - rationalisation of police officer posts.		1.6
	Sub total: Central Operations	6.5
Resources Directorate		
Reduction of (B)OCU additional car parking costs.		1.0
Managing service levels at PFI Gravesend.		1.0
Reduction in rates budgets payable on the MPA estate.		2.0
Purchase of electricity on price alone as part of Green Policy.		1.0
Implementation of new banking contract and other savings.		0.2
Saving on tax liability for free travel for police officers.		7.4
Transfer the responsibility for collision damage repair costs on hire vehicles to (B)OCU's.		0.3
Vacancy management and robust management of the Vehicle Recovery and Examination contractor expenditure.		0.2
Catering Services – reduction in police staff posts and increased turnover.		0.5
Commercial Services/EIDU/Resources HR Services - reduction in various budget lines.		0.2
Transport - reduced vehicle maintenance due to a reduction in the CO Traffic Fleet.		0.2
	Sub total: Resources Directorate	14.0
Human Resources Directorate		
Savings in training and development budgets.		1.1
Savings in recruitment budgets.		0.5
Savings in Strategy Group budgets.		0.3
Services - reduction in police staff posts and expenditure on external consultants.		0.2
People Development Group – reduction in police officer/staff post.		0.5
	Sub total: Human Resources Directorate	2.6
Total savings and efficiencies		68.3

Summary
Revenue Budget 2006/07

2006/07 Revenue Budget Summary by Business Group

	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Business Groups			
Territorial Policing	1,046,839	1,249,211	1,249,211
Specialist Crime Directorate	303,598	359,453	359,453
Specialist Operations	167,161	180,938	185,964
Central Services	40,256	32,731	32,731
Standards and Intelligence Command	57,776	67,169	67,144
Directorate of Information	192,590	189,074	189,074
Central Operations Command	210,996	290,401	303,392
Resources Directorate	251,563	285,333	269,782
Human Resources Directorate	88,808	90,868	90,868
Total Business Groups	2,359,587	2,745,178	2,747,619
Corporate Budgets			
Pensions	289,400	28,475	28,475
Yet to be allocated	74,238	98,151	98,151
Total Corporate Budgets	363,638	126,626	126,626
Total MPS	2,723,225	2,871,804	2,874,245
Metropolitan Police Authority	9,913	10,232	10,232
Net Expenditure	2,733,138	2,882,036	2,884,477
Specific Grants/Amending Grants	-222,793	-432,413	
Transfer from Reserve	-22,000	-23,937	
Budget Requirement	2,488,345	-2,425,686	
Funding			
Police Grant	-1,177,283	-1,001,278	
Payments under s.102 GLA Act 1999	-1,311,062	-1,424,408	
Total Funding	-2,488,345	-2,425,686	

Note: Exclusion of Funded Units

During the year the MPS will monitor the financial position and forecast against budgets excluding funded units. This is to provide greater transparency as variances on funded units do not affect the overall financial position as any increased expenditure is matched by increased income and vice versa.

2006/07 Revenue Budget Subjective Summary

	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	1,338,359	1,640,041	1,586,581
Police Staff Pay	501,111	531,890	479,390
PCSO's Pay	59,170	71,261	58,041
Traffic Wardens Pay	12,730	11,754	1,074
Total Pay	1,911,370	2,254,946	2,125,086
Police Officer Overtime	107,061	111,658	106,641
Police Staff Overtime	25,205	28,979	22,594
PCSO's Overtime	690	802	617
Traffic Wardens Overtime	1,235	883	22
Total Overtime	134,191	142,322	129,874
Other	8,126	6,830	6,357
Total Employment Costs	2,053,687	2,404,098	2,261,317
Police Officer Pensions	289,400	28,475	28,475
Running Expenses:			
Employee Related Expenditure	24,790	17,330	14,922
Premises Costs	190,650	202,482	200,974
Transport Costs	49,039	57,385	53,193
Supplies & Services	372,219	412,588	396,049
Capital Financing Costs	17,311	28,631	28,631
Total Running Expenses	654,009	718,416	693,769
Total Expenditure	2,997,096	3,150,989	2,983,561
Income	-263,958	-268,953	-99,084
Total Income	-263,958	-268,953	-99,084
NET EXPENDITURE	2,733,138	2,882,036	2,884,477

Note: Exclusion of Funded Units

During the year the MPS will monitor the financial position and forecast against budgets excluding funded units. This is to provide greater transparency as variances on funded units do not affect the overall financial position as any increased expenditure is matched by increased income and vice versa.

Metropolitan Police Authority

Business Group:	Metropolitan Police Authority
Responsible Officer:	Chief Executive and Clerk of MPA

Service Description:

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 between 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.
- In everything it does, seek to promote equality of opportunity in a diverse community.
- 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.

Metropolitan Police Authority (MPA)

Metropolitan Police Authority			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	0	0	0
Police Staff Pay	4,774	5,136	5,136
Traffic Wardens Pay	0	0	0
PCSO's Pay	0	0	0
Total Pay	4,774	5,136	5,136
Police Officer Overtime	0	0	0
Police Staff Overtime	13	9	9
Traffic Wardens Overtime	0	0	0
PCSO's Overtime	0	0	0
Total Overtime	13	9	9
Other	103	237	237
Total Employment Costs	4,890	5,382	5,382
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	168	168	168
Premises Costs	1,085	1,210	1,210
Transport Costs	24	24	24
Supplies & Services	3,776	3,478	3,478
Capital Financing Costs	0	0	0
Total Running Expenses	5,053	4,880	4,880
Total Expenditure	9,943	10,262	10,262
Income	-30	-30	-30
Total Income	-30	-30	-30
NET EXPENDITURE	9,913	10,232	10,232

Funded Units

There are no Funded units within this Business Group

Territorial Policing

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

Service Description:

TP Business Group

In 2005/6 Territorial Policing Business Group (TP) consisted of two groups: Boroughs and Territorial Policing Headquarters (TPHQ), including the Crime Command. In April 2006 the Crime Command restructures to provide stronger focus on tackling violent crime.

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. TP will roll out its Safer Neighbourhood teams to focus on delivering local policing during 2006/07 to provide a team for every ward in London.

TPHQ role/function

TPHQ provides leadership through effective tasking of TP resources, monitoring and improving performance and providing support to help boroughs to deliver against corporate targets. TPHQ resources are structured as follows:

- Violent Crime Command.
- Volume Crime Command which includes criminal justice and performance/strategic development.
- Community Safety and Partnership including safer neighbourhoods.
- Modernising operations - Patrol and Metcall.
- Business Development which focuses on resource planning to support strategic development and the delivery of policing services across the MPS.
- 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.

Key Activities:

TP Operational Priorities 2006/07

- To maintain an effective response to suspected and actual terrorist incidents.
- To reduce the level of gun enabled crime.
- To improve neighborhood safety (incl. Road safety).
- To improve our contribution to the effectiveness of the criminal justice system.
- Citizen Focus and Demand Management.
- To reduce the level of serious violence and increase the number of violent offenders brought to justice (inc. hate crime, rape and domestic violence).

TP Programme of Work 2006/07

TP continues to be committed to the development of its business to deliver more effective and efficient services to the people of London. Much of the work required is set out within the following key enabling projects:

- Modernising operations.
- Revitalising the contribution to the Criminal Justice System.
- Safer Neighbourhoods – reassurance based policing.
- Workforce modernization.
- Resource planning.

Territorial Policing Business Group

Territorial Policing			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	775,911	954,078	954,078
Police Staff Pay	123,219	136,815	136,815
PCSO's Pay	44,685	55,605	55,605
Traffic Wardens Pay	0	0	0
Total Pay	943,815	1,146,498	1,146,498
Police Officer Overtime	38,106	39,520	39,520
Police Staff Overtime	3,881	4,121	4,121
PCSO's Overtime	479	509	509
Traffic Wardens Overtime	0	0	0
Total Overtime	42,466	44,150	44,150
Other	895	962	962
Total Employment Costs	987,176	1,191,610	1,191,610
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	8	8	8
Premises Costs	11,854	3,739	3,739
Transport Costs	8,987	8,825	8,825
Supplies & Services	54,232	58,651	58,651
Capital Financing Costs	0	0	0
Total Running Expenses	75,081	71,223	71,223
Total Expenditure	1,062,257	1,262,833	1,262,833
Income	-15,418	-13,622	-13,622
Total Income	-15,418	-13,622	-13,622
NET EXPENDITURE	1,046,839	1,249,211	1,249,211

Funded Units

There are no Funded units within this Business Group

Territorial Policing Business Group

Territorial Policing - Boroughs			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	752,383	921,956	921,956
Police Staff Pay	115,283	126,693	126,693
PCSO's Pay	38,553	53,201	53,201
Traffic Wardens Pay	0	0	0
Total Pay	906,219	1,101,850	1,101,850
Police Officer Overtime	32,987	34,222	34,222
Police Staff Overtime	3,649	3,865	3,865
PCSO's Overtime	437	497	497
Traffic Wardens Overtime	0	0	0
Total Overtime	37,073	38,584	38,584
Other	528	467	467
Total Employment Costs	943,820	1,140,901	1,140,901
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	0	0	0
Premises Costs	9,167	481	481
Transport Costs	7,415	7,465	7,465
Supplies & Services	45,661	46,536	46,536
Capital Financing Costs	0	0	0
Total Running Expenses	62,243	54,482	54,482
Total Expenditure	1,006,063	1,195,383	1,195,383
Income	-4,612	-4,775	-4,775
Total Income	-4,612	-4,775	-4,775
NET EXPENDITURE	1,001,451	1,190,608	1,190,608

Territorial Policing Business Group

Territorial Policing – Pan London			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	23,528	32,122	32,122
Police Staff Pay	7,936	10,122	10,122
PCSO's Pay	6,132	2,404	2,404
Traffic Wardens Pay	0	0	0
Total Pay	37,596	44,648	44,648
Police Officer Overtime	5,119	5,298	5,298
Police Staff Overtime	232	256	256
PCSO's Overtime	42	12	12
Traffic Wardens Overtime	0	0	0
Total Overtime	5,393	5,566	5,566
Other	367	495	495
Total Employment Costs	43,356	50,709	50,709
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	8	8	8
Premises Costs	2,687	3,258	3,258
Transport Costs	1,572	1,360	1,360
Supplies & Services	8,571	12,115	12,115
Capital Financing Costs	0	0	0
Total Running Expenses	12,838	16,741	16,741
Total Expenditure	56,194	67,450	67,450
Income	-10,806	-8,847	-8,847
Total Income	-10,806	-8,847	-8,847
NET EXPENDITURE	45,388	58,603	58,603

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 specialist functions in the areas of criminal networks, organised crime, homicide investigation, child protection, gun crime, economic crime, intelligence, class A drugs, asset seizure and forensics. The Directorate's mission is to help make London safer through activities that will:

- Disrupt and dismantle criminal networks, seize their assets and reduce the harm they cause – this is in support of the MPS Corporate Objective.
- Investigate and prevent homicide and shootings.
- 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

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

Intelligence

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

Forensic Services Directorate

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

Strategic Development and Business Support

- To co-ordinate formulation of specialist crime policy.
- Environmental scanning for issues relating to specialist crime.
- The delivery of investigative based training courses through the Crime Academy.
- Reviewing all aspects of performance, identifying key operational areas for improvement, minimising risk and developing an effective inspection regime.
- 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.
- To develop and enhance the Directorate's reputation and celebrate its successes.
- To manage our modernisation programme.

Specialist Crime Directorate

Specialist Crime Directorate – Business Group			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	147,505	174,285	172,698
Police Staff Pay	80,302	88,325	87,962
PCSO's Pay	0	0	0
Traffic Wardens Pay	0	0	0
Total Pay	227,807	262,610	260,660
Police Officer Overtime	19,664	19,408	18,938
Police Staff Overtime	4,212	4,142	4,132
PCSO's Overtime	0	0	0
Traffic Wardens Overtime	0	0	0
Total Overtime	23,876	23,550	23,070
Other	1,653	1,543	1,531
Total Employment Costs	253,336	287,703	285,261
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	525	665	25
Premises Costs	930	345	92
Transport Costs	6,986	6,648	6,478
Supplies & Services	61,185	73,851	73,503
Capital Financing Costs	0	0	0
Total Running Expenses	69,626	81,509	80,098
Total Expenditure	322,962	369,212	365,359
Income	-19,364	-9,759	-5,906
Total Income	-19,364	-9,759	-5,906
NET EXPENDITURE	303,598	359,453	359,453

Funded Units

Regional Asset Recovery Team (RART)
Dedicated Cheque and Plastic Crime Unit (DCPCU)

Specialist Operations

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

Service Description:
<p>The police service approach to countering terrorism aims to minimise risk and vulnerability to life and property, create a hostile environment for the terrorists and increase the feeling communities have of safety and confidence.</p> <p>Specialist Operations has lead responsibility for the investigation of terrorist offences and for the provision of personal protection for individuals under threat in the UK and abroad.</p> <p>To combat terrorism successfully, and to improve safety and security, the MPS as a whole is involved in gathering, analysing, passing on and acting on intelligence. Working in partnership with the Security Service and other agencies is essential. This intelligence-led approach will reduce the opportunity for criminals to commit terrorist offences and ensure we are able to bring offenders to justice, including those who support, encourage and finance terrorism.</p> <p>The MPS determination to deliver a citizen focused and responsive police service through Safer Neighbourhoods is key to countering terrorism. This initiative creates an environment that encourages and facilitates the flow of community intelligence. This critical aspect of police work increases feelings of safety, provides reassurance for communities and reduces opportunities for terrorism.</p> <p>The effective delivery of counter terrorism, security and protection as a key element of the Corporate Strategy, will enable the Metropolitan Police Service to pursue its widening mission to meet the needs of all London communities.</p>

Key Activities:
<p>Counter Terrorism</p> <ul style="list-style-type: none"> • Disruption, prevention, detection and investigation of terrorist attacks including the prosecution of offenders. • Provision of a Pan London security co-ordination capability. • Assisting Her Majesty's Government 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, disseminate and act on intelligence relating to terrorism and related security threats. <p>Security</p> <ul style="list-style-type: none"> • Provision of 24-hour emergency response at Heathrow and London City Airport dealing with all aspects of policing. • In concert with partners the development of an effective aviation security regime at Heathrow and London City consistent with the terrorist threat. <p>Protection</p> <ul style="list-style-type: none"> • 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.

Specialist Operations Business Group

Specialist Operations – Business Group			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	138,906	171,646	141,821
Police Staff Pay	29,330	31,032	16,020
PCSO's Pay	1,021	1,174	1,174
Traffic Wardens Pay	1,128	1,345	0
Total Pay	170,385	205,197	159,015
Police Officer Overtime	20,648	21,970	18,731
Police Staff Overtime	4,146	4,434	869
PCSO's Overtime	10	10	10
Traffic Wardens Overtime	429	307	0
Total Overtime	25,233	26,721	19,610
Other	720	278	168
Total Employment Costs	196,338	232,196	178,793
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	2,115	1,855	87
Premises Costs	2,594	148	-5
Transport Costs	5,922	5,609	4,815
Supplies & Services	15,818	7,415	5,080
Capital Financing Costs	0	0	0
Total Running Expenses	26,449	15,027	9,977
Total Expenditure	222,787	247,223	188,770
Income	-55,626	-66,285	-2,806
Total Income	-55,626	-66,285	-2,806
NET EXPENDITURE	167,161	180,938	185,964

Funded Units

Heathrow Airport
National Public Order Intelligence Unit (NPOIU)
Counter Terrorism Liaison Officers (CTLO)
National Terrorist Financial Investigation Unit (NTFIU)

Central Services

Business Group:	Central Services
Sub-Business Group:	Commissioner's Private Office, Strategy Modernisation and Performance Directorate (SMPD), and Diversity and Citizen Focus Directorate
Responsible Officer:	Deputy Assistant Commissioner Central Services

Service Description:

The Private Office works to provide appropriate support to the Commissioner and Deputy Commissioner. The SMPD works to ensure that organisational priorities and resources are clearly determined, business changes are coherent and coordinated, and performance is maximised. The Diversity and Citizen Focus Directorate will ensure that the twin issues of diversity and citizen focus are used to shape the service provided by the Metropolitan Police Service (MPS). The Directorate will work to transform the MPS into a citizen focused service.

Key Activities:

The main aims and functions of the Commissioner's Office and the SMPD include:

- Engaging, supporting and influencing local and national stakeholders.
- Ensuring policy delivery and compliance with national standards.
- Co-ordination and support for the implementation of change across the MPS.
- Maintaining the corporate lead, in conjunction with the MPA for planning.
- Monitoring performance and the production of reports for key stakeholders.
- Undertaking inspections of the MPS on behalf of Management Board.
- Ensuring compliance with National Crime Reporting Standards (NCRS).

The main aims and functions of the Diversity and Citizen Focus Directorate are:

- To manage the five strands of the Citizen Focus Programme.
- To engage and work with communities to secure trust and confidence.
- Oversight of community engagement in response to terrorism and other incidents.
- Support for the investigation of crimes that affect diverse communities.
- Development of interventions that support staff from under-represented groups.
- To promote a professional and informed approach to diversity and equality.
- To provide MPS wide co-ordination and support for Family Liaison Officers.
- To undertake MPS wide monitoring, analysis and research into diversity issues.
- To oversee the implementation of recommendations from diversity inquiries and reports.

Sub-Business Group:	Directorate of Public Affairs and Internal Communication
Responsible Officer:	Director of Public Affairs

Service Description:

DPA provides 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 the internal communication strategy and develop effective communication across the organisation.
- Manage the corporate content of the MPS Intranet and Internet sites.
- Monitor media coverage and respond to any unfair reporting.
- Liaise with the MPA, GLA, Independent Advisory Group, government and other agencies on communication issues.

Central Services Business Group

Central Services – Business Group			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	13,063	10,189	10,189
Police Staff Pay	17,245	14,654	14,654
PCSO's Pay	0	0	0
Traffic Wardens Pay	0	0	0
Total Pay	30,308	24,843	24,843
Police Officer Overtime	536	110	110
Police Staff Overtime	199	174	174
PCSO's Overtime	0	0	0
Traffic Wardens Overtime	0	0	0
Total Overtime	735	284	284
Other	654	455	455
Total Employment Costs	31,697	25,582	25,582
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	1,650	650	650
Premises Costs	2	0	0
Transport Costs	480	289	289
Supplies & Services	6,951	6,645	6,645
Capital Financing Costs	0	0	0
Total Running Expenses	9,083	7,584	7,584
Total Expenditure	40,780	33,166	33,166
Income	-524	-435	-435
Total Income	-524	-435	-435
NET EXPENDITURE	40,256	32,731	32,731

Funded Units

There are no Funded units within this Business Group

Standards and Intelligence Command



Business Group:	Standards and Intelligence Command
Responsible Officer:	Assistant Commissioner Standards and Intelligence

Service Description:

The Standards & Intelligence Command comprises Directorate of Professional Standards, Intelligence Standards Unit and Legal Services.

Professional Standards have recently been the subject of a number of inquiries and inspections – Morris, CRE and HMIC Thematic inspections all of which inevitably will influence how we operate on a day-to-day basis.

The way we work together within the MPS and implement our values will shape delivery of our service and how the community view us.

Implementation of the Professional Standards Strategy will be based on the following: -

- Placing prevention at the heart of improving professional standards and moving from a blame culture to one where lessons are learnt.
- Developing greater internal and external trust and confidence in the way the MPS ensures professional standards are delivered.
- Complementing MPS Citizen focus work by increasing professional standards engagement with stakeholders through:
 - Improved openness, accountability and accessibility of investigations.
 - Enhanced understanding of customer needs.
 - Improved external awareness of professional standards areas of work.

The **Intelligence Standards Unit** is responsible for developing and overseeing the implementation of the MPS Intelligence Strategy. The Strategy incorporates compliance with National Standards and Codes of Practice that apply to intelligence, including the National Intelligence Model. The Unit is responsible for the development and review of intelligence standards and policy and oversees the implementation of a number of projects to support intelligence practice in the MPS.

Legal Services Directorate focus on the key strategic functions of corporate governance. The Directorate of Legal Services (DLS) is made up of lawyers and a support services group who deal with a large variety and volume of work. This diversity of issues stems from the extensive range of legal services that the DLS provide for the MPS. At any one time the Directorate may be dealing with matters as wide ranging as obtaining an Anti Social Behaviour Order, Proceeds of Crime cash seizure, giving public order advice, participating in Public Inquiries, counter-terrorism matters, defending a civil action arising from a death in custody or false imprisonment and giving advice on employment issues.

Key Activities:

Strategic Priorities for Professional Standards:

Intelligence To follow service intelligence processes, analysing information – to identify Prevention and Investigation opportunities, which re-enforce professional standards.

Prevention To work with colleagues to put into place systems and processes, which facilitate learning and prevent misconduct and unprofessional behaviour.

Enforcement To ensure that investigations are competent, meeting the needs of stakeholders and engendering the trust of the community.

Corporate Strategy and Priorities To ensure that expertise and information is made available to facilitate implementation.

Key Outcomes

- The improvement of Professional Standards is owned by all staff and seen as a priority across the MPS.
- Risks are identified quickly and effectively managed.
- Staff take pride in professional high quality service delivery.

All of which are aligned to the MPS corporate outcomes and priorities.

Standards and Intelligence Command – Business Group

Standards and Intelligence Command			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	21,415	26,059	25,621
Police Staff Pay	12,300	14,338	14,204
PCSO's Pay	0	0	0
Traffic Wardens Pay	0	0	0
Total Pay	33,715	40,397	39,825
Police Officer Overtime	2,109	1,382	1,322
Police Staff Overtime	197	175	160
PCSO's Overtime	0	0	0
Traffic Wardens Overtime	0	0	0
Total Overtime	2,306	1,557	1,482
Other	226	332	331
Total Employment Costs	36,247	42,286	41,638
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	0	0	0
Premises Costs	25	90	65
Transport Costs	888	652	609
Supplies & Services	23,957	26,469	26,402
Capital Financing Costs	0	0	0
Total Running Expenses	24,870	27,211	27,076
Total Expenditure	61,117	69,497	68,714
Income	-3,341	-2,328	-1,570
Total Income	-3,341	-2,328	-1,570
NET EXPENDITURE	57,776	67,169	67,144

Funded Units

External Health and Safety Training

Directorate of Information

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:

- 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

- **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.
- **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 the MPS.

SERVICES SUPPORTING THE FRONT LINE

- **Service Delivery Group (SDG)** – Provide services to support 45,000 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 external service providers. In addition SDG provide support for Secure Systems, which for security reasons cannot be managed by non-MPS staff.
- **Infrastructure Programme Group (IPG)** – Works closely with the front line to capture and understand policing needs so these can be met through the most appropriate Information and Communications Technology (ICT) solutions. Responsible for managing the initiation of projects by capturing customer requirements and undertaking business analysis to ensure projects will meet both the needs of the customer and provide wider business benefits. Working to improve the current technology infrastructure and provide high-quality ICT, back-office and telecommunications systems. Concentrating on making data input easier and reducing duplication or double keying. Working to make information available anytime, anyplace and anywhere by developing systems that are compatible with each other. Ensures all DoI projects contribute to the MPS vision. Assists both project managers and project teams to improve communication and project management. Provides a consistent approach for DoI project teams.
- **Information Management Group (IMG)** – Ensuring MPS information is trusted, accessible and usable. Records Management provide access to the corporate memory via the Records Management System (RMS) and registered files. Security Incident Reportings capture risks to the MPS and act on them. The Public Access Office (PAO): processes all subject access requests received under the Data Protection Act 1998 (DPA) and ensures MPS and national co-ordination in the response to statutory requests made under the Freedom of Information Act 2000 (FOIA). The MPS Publication Scheme works to source, prepare and publish documents to allow for swift responses to FOIA requests. Assurance secures accreditation of MPS information and solutions; inspects compliance with security and information management policies and identifies necessary improvements. Data modelling / management maintains logical, physical, system and enterprise views of MPS data. NSY Library is a key source of published information for the MPS, design of forms, delivering projects on IM issues, maintaining the Head of Profession role and driving professional development for MPS Information Managers. Delivers improvements to MPS Data Quality and develops a corporate file plan enabling information to be used as a corporate resource. Advising and supporting all DoI groups on communications and marketing activities for projects and programmes. Using Internet technology to support and respond to electronic calls for service and information. Developing the MPS intranet site as a first port of call for MPS information needs.

BUSINESS SUPPORT SERVICES

- **Business Services and IT Training School** - Providing effective business support to DoI, enabling it to serve its HQ and front-line customers, as well as providing IT training to the MPS.

Directorate of Information

Directorate of Information			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	9,440	7,491	7,491
Police Staff Pay	52,156	40,006	40,006
PCSO's Pay	0	0	0
Traffic Wardens Pay	0	0	0
Total Pay	61,596	47,497	47,497
Police Officer Overtime	708	229	229
Police Staff Overtime	5,927	1,354	1,354
PCSO's Overtime	0	0	0
Traffic Wardens Overtime	0	0	0
Total Overtime	6,635	1,583	1,583
Other	1,443	652	652
Total Employment Costs	69,674	49,732	49,732
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	0	0	0
Premises Costs	394	488	488
Transport Costs	513	491	491
Supplies & Services	122,523	138,684	138,684
Capital Financing Costs	0	0	0
Total Running Expenses	123,430	139,663	139,663
Total Expenditure	193,104	189,395	189,395
Income	-514	-321	-321
Total Income	-514	-321	-321
NET EXPENDITURE	192,590	189,074	189,074

Funded Units

There are no Funded units within this Business Group

Central Operations Command

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

Service Description:

CO Business Group

Central Operations (CO) has been in existence since April 2005. The business group has grown over the last twelve months and now incorporates two new Operational Command units (OCU's). The Olympics OCU and Emergency Planning & London Resilience. In addition, CO will integrate the Central Communications command (Metcall) in April 2006 from DOI. The Business Group has corporate responsibility for the delivery of an intelligence driven Tasking and Co-ordinating process and has strategic responsibility for Capital City Policing.

OCU role/function

There are currently 11 Operational Command Units within CO, each delivering a different specialised service. The role of Central Operations is to provide specialised policing services directed to the public and in support of colleagues to assist in making London the safest major city in the world.

COHQ role/function

The CO Command Structure provides leadership and support to help OCU's deliver against their objectives. Each member of the CO Command Team has portfolio responsibilities. These are;

- Public Order/Operational support, Emergency Planning and London resilience,
- Traffic & Transport & Central Communications.
- Olympics.
- Firearms and Disclosure.
- Business Support.

The Business Group also has corporate responsibilities in relation to the delivery of an intelligence driven Tasking and Co-ordinating process led by the Director of Tasking.

Key Activities:

CO Operational Priorities 2006/07

- To ensure the safety of the transport network in London .
- To secure the safety of the 2012 London Olympics.
- To reassure the public that the MPS is developing appropriate tactics to deal with major incidents or terrorists related activity.
- To assist organizers to ensure safety and security at high profile events.
- To improve the capability of the firearms response in London.
- To ensure that the establishment of the Metcall service leads to improved citizen focus through enhanced response to request for police services.
- To enhance MPS tasking and co-ordination, including development of a 24/365 days a year tasking capability to assist in real time tasking, focus and cost effectiveness by developing specialist resources where they are of most benefit.
- To ensure that the MPS has planned for, and is adequately prepared for dealing with emergencies under the Civil Contingencies Act 2004.
- To ensure CO's operational units through effective tasking are working with Boroughs and other OCU's to support the MPS to achieve an increase in the number of offenders brought to justice.

CO Programme of Work 2006/07

CO is committed to the development of its business to deliver more effective and efficient services to the people of London. This year's work will focus on the following;

- | | |
|---|---|
| <ul style="list-style-type: none"> • Development of Capital City Policing work streams, for transport, terrorist and major incidents, high profile events and firearms response. | <ul style="list-style-type: none"> • To support and deliver MPS Modernisation programme through the development of CO modernisation work streams. |
| <ul style="list-style-type: none"> • Development and delivery of an effective Corporate tasking and co-ordinating Process. | <ul style="list-style-type: none"> • Building our capacity in relation to Emergency Planning and London Resilience. |
| <ul style="list-style-type: none"> • Preparation and planning for 2012 Olympics. | <ul style="list-style-type: none"> • To support the delivery of the C3i programme through Tranche 2 & 3 BOCU & IR transition into Metcall. |

Central Operations Command Business Group

Central Operations Command – Business Group			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	142,435	184,980	163,370
Police Staff Pay	83,741	108,110	87,306
PCSO's Pay	11,809	13,220	0
Traffic Wardens Pay	9,240	9,335	0
Total Pay	247,225	315,645	250,676
Police Officer Overtime	21,148	25,867	24,619
Police Staff Overtime	1,927	9,879	9,581
PCSO's Overtime	180	185	0
Traffic Wardens Overtime	540	554	0
Total Overtime	23,795	36,485	34,200
Other	985	819	480
Total Employment Costs	272,005	352,949	285,356
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	2	0	0
Premises Costs	2,198	1,648	641
Transport Costs	6,262	10,500	7,388
Supplies & Services	17,461	17,687	13,302
Capital Financing Costs	0	0	0
Total Running Expenses	25,923	29,835	21,331
Total Expenditure	297,928	382,784	306,687
Income	-86,932	-92,383	-3,295
Total Income	-86,932	-92,383	-3,295
NET EXPENDITURE	210,996	290,401	303,392

Funded Units

National Identification Service (NIS)
 Criminal Records Bureau (CRB)
 Subject Access Office
 Police Gazette
 Transport

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:

Finance & Procurement Services

- Finance Services provides financial management; corporate accounting and budgeting systems; and financial management information to the MPS. Procurement Services is responsible for all procurement and contracting in support of the needs of operational policing in the MPS and protecting the MPA's interests as the contracting Authority.

Logistical Services

- 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 Events and Income Development Unit and the Resources HR Services.

Property Services

- Property Services manages the MPA estate and ensures the provision of property for the MPS and, in particular, estate repositioning and 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.

Resources Directorate Business Group

Resources Directorate – Business Group			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	0	112	112
Police Staff Pay	55,663	60,538	44,351
PCSO's Pay	0	74	74
Traffic Wardens Pay	1,321	747	747
Total Pay	56,984	61,471	45,284
Police Officer Overtime	0	0	0
Police Staff Overtime	3,857	3,937	1,440
PCSO's Overtime	0	51	51
Traffic Wardens Overtime	169	2	2
Total Overtime	4,026	3,990	1,493
Other	672	793	782
Total Employment Costs	61,682	66,254	47,559
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	13,462	5,473	5,473
Premises Costs	165,578	186,262	186,192
Transport Costs	15,997	22,080	22,007
Supplies & Services	30,182	29,106	19,702
Capital Financing Costs	17,311	28,631	28,631
Total Running Expenses	242,530	271,552	262,005
Total Expenditure	304,212	337,806	309,564
Income	-52,649	-52,473	-39,782
Total Income	-52,649	-52,473	-39,782
NET EXPENDITURE	251,563	285,333	269,782

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 needs of operational policing in the MPS and protecting the MPA's interests as the contracting Authority.

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

- Prepares budgets and ensures their sound management.
- Provides timely/accurate budgetary information.
- Provides financial advice to MPS/MPA.
- Maximises funding available to the MPA/MPS; develops medium term financial forecasts.
- Ensures accounts are closed in accordance with required timescales.
- Supports the devolved 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 controls 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.
- Develops and supports corporate financial systems.

Procurement Services

- Undertakes effective tendering, negotiating and awarding of all goods/service contracts by applying a best practice methodology.
- Manages risk through development and delivery of effective procurement strategies and ensures awareness of and compliance with legal/ethical requirements and best practice whilst ensuring an adequate audit trail is maintained.
- Provides commercial and procurement advice /assistance to the client units responsible for managing the outsourced service contracts; develops with the client units, procurement strategies for the re-tendering of the main outsource contracts.
- Reviews current contracts in consultation with the relevant parties to determine any essential new requirements to support operational delivery.
- Incorporates "e" enablement of the procurement process where appropriate.
- Actively promotes equality of opportunity to suppliers.

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

Resources Directorate – Finance & Procurement Services			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	0	0	0
Police Staff Pay	12,385	14,936	14,936
PCSO's Pay	0	0	0
Traffic Wardens Pay	0	0	0
Total Pay	12,385	14,936	14,936
Police Officer Overtime	0	0	0
Police Staff Overtime	74	30	30
PCSO's Overtime	0	0	0
Traffic Wardens Overtime	0	0	0
Total Overtime	74	30	30
Other	398	493	493
Total Employment Costs	12,857	15,459	15,459
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	13,462	5,463	5,463
Premises Costs	1	0	0
Transport Costs	38	-139	-139
Supplies & Services	8,142	9,745	9,745
Capital Financing Costs	17,311	28,631	28,631
Total Running Expenses	38,954	43,700	43,700
Total Expenditure	51,811	59,159	59,159
Income	-16,755	-15,121	-15,121
Total Income	-16,755	-15,121	-15,121
NET EXPENDITURE	35,056	44,038	44,038

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

Service Description:

Logistical Services comprises Catering Services; Commercial Services; Events and Income Development Unit; the MPS Historical Collection; Personnel and Development Unit (RPDU); Transport Services; and the Vehicle Recovery and Examination Service.

Key Activities:

Catering Services

- 10.5 million meals are supplied annually to staff on a repayment basis at 100+ permanent units around London.
- Over 800,000 meals (without charge but at predetermined levels of cost) are provided annually at temporary locations in direct support of policing at over 850 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 – 310 independent accredited linguists and 140 independent medical practitioners are listed with the MPS.

Travel Services

- Arranges 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.

Events and Income Development Unit

- Develops income development initiatives with MPS business groups; exploits commercial intellectual property opportunities, and provides an events management service.
- Develops and implements policies and processes to secure increased sponsorship; and records all income data across MPS business groups.
- Oversees the management of the Historical Collection.

Resources Human Resources Services

- 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 5,003 MPS owned cars (of which 93 are leased Hybrid vehicles), vans and motorcycles, medium and large goods vehicles, and 28 boats - this involves their acquisition, equipping for service, repair, maintenance and end of life disposal; and approximately 1,389 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

Resources Directorate – Logistical Services			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	0	112	112
Police Staff Pay	30,761	31,934	15,749
PCSO's Pay	0	74	74
Traffic Wardens Pay	1,321	747	747
Total Pay	32,082	32,867	16,682
Police Officer Overtime	0	0	0
Police Staff Overtime	3,555	3,693	1,195
PCSO's Overtime	0	2	2
Traffic Wardens Overtime	169	51	51
Total Overtime	3,724	3,746	1,248
Other	194	170	159
Total Employment Costs	36,000	36,783	18,089
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	0	10	10
Premises Costs	290	452	382
Transport Costs	15,894	22,128	22,056
Supplies & Services	14,433	14,007	4,601
Capital Financing Costs	0	0	0
Total Running Expenses	30,617	36,597	27,049
Total Expenditure	66,617	73,380	45,138
Income	-16,538	-17,511	-4,820
Total Income	-16,538	-17,511	-4,820
NET EXPENDITURE	50,079	55,869	40,318

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 a workforce of over 50,000 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 and environmental issues.
- Ensures on-site health and safety.
- Provides maintenance.
- Delivers new build procurement.
- Provides support functions for operational policing (public order and incident response).
- Specialist design (e.g. custody suites, front offices).
- Leads on regeneration and planning matters.

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" strategy).
- 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.
- Working with London planning authorities to support regeneration.

Resources Directorate Business Group - Property Services

Resources Directorate – Property Services			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	0	0	0
Police Staff Pay	12,517	13,629	13,629
PCSO's Pay	0	0	0
Traffic Wardens Pay	0	0	0
Total Pay	12,517	13,629	13,629
Police Officer Overtime	0	0	0
Police Staff Overtime	228	209	209
PCSO's Overtime	0	0	0
Traffic Wardens Overtime	0	0	0
Total Overtime	228	209	209
Other	80	130	130
Total Employment Costs	12,825	13,968	13,968
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	0	0	0
Premises Costs	165,287	185,810	185,810
Transport Costs	65	90	90
Supplies & Services	7,607	5,399	5,399
Capital Financing Costs	0	0	0
Total Running Expenses	172,959	191,299	191,299
Total Expenditure	185,784	205,267	205,267
Income	-19,356	-19,841	-19,841
Total Income	-19,356	-19,841	-19,841
NET EXPENDITURE	166,428	185,426	185,426

Human Resources Directorate

Business Group:	Human Resources
Responsible Officer:	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 2006-07, together with a range of supporting key activities. The six HR Directorates: Strategy; Services; Recruitment; People Development; Leadership 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

Human Resources Directorate – Business Group			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	56,941	62,435	62,435
Police Staff Pay	23,875	23,318	23,318
PCSO's Pay	0	0	0
Traffic Wardens Pay	93	26	26
Total Pay	80,909	85,779	85,779
Police Officer Overtime	2,173	1,799	1,799
Police Staff Overtime	308	298	298
PCSO's Overtime	1	0	0
Traffic Wardens Overtime	0	0	0
Total Overtime	2,482	2,097	2,097
Other	575	554	554
Total Employment Costs	83,966	88,430	88,430
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	6,021	7,880	7,880
Premises Costs	1,215	0	0
Transport Costs	996	987	987
Supplies & Services	22,309	21,888	21,888
Capital Financing Costs	0	0	0
Total Running Expenses	30,541	30,755	30,755
Total Expenditure	114,507	119,185	119,185
Income	-25,699	-28,317	-28,317
Total Income	-25,699	-28,317	-28,317
NET EXPENDITURE	88,808	90,868	90,868

Funded Units

There are no Funded units within this Business Group

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

HR – Directorate of Services, Strategy. Recruitment and People Development			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	3,519	4,188	4,188
Police Staff Pay	16,721	17,303	17,303
PCSO's Pay	0	0	0
Traffic Wardens Pay	0	0	0
Total Pay	20,240	21,491	21,491
Police Officer Overtime	133	68	68
Police Staff Overtime	208	231	231
PCSO's Overtime	0	0	0
Traffic Wardens Overtime	0	0	0
Total Overtime	340	299	299
Other	422	393	393
Total Employment Costs	21,002	22,183	22,183
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	5,506	7,830	7,830
Premises Costs	1,215	0	0
Transport Costs	169	186	186
Supplies & Services	4,486	4,520	4,520
Capital Financing Costs	0	0	0
Total Running Expenses	11,376	12,536	12,536
Total Expenditure	32,378	34,719	34,719
Income	0	0	0
Total Income	0	0	0
NET EXPENDITURE	32,378	34,719	34,719

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, that 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

HR – Directorate of Training and Development			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	18,016	19,431	19,431
Police Staff Pay	4,841	3,535	3,535
PCSO's Pay	0	0	0
Traffic Wardens Pay	66	26	26
Total Pay	22,923	22,992	22,992
Police Officer Overtime	450	170	170
Police Staff Overtime	74	44	44
PCSO's Overtime	1	0	0
Traffic Wardens Overtime	0	0	0
Total Overtime	525	214	214
Other	139	148	148
Total Employment Costs	23,587	23,354	23,354
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	493	35	35
Premises Costs	0	0	0
Transport Costs	413	398	398
Supplies & Services	1,852	1,447	1,447
Capital Financing Costs	0	0	0
Total Running Expenses	2,758	1,880	1,880
Total Expenditure	26,345	25,234	25,234
Income	0	0	0
Total Income	0	0	0
NET EXPENDITURE	26,345	25,234	25,234

Business Group:	Human Resources
Sub-Business Group:	Holding Branch
Responsible Officer:	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:
<ul style="list-style-type: none">• 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

HR – Holding Branch			
	Budget 2005/06	Budget 2006/07 Including Funded Units	Budget 2006/07 Excluding Funded Units
	£'000	£'000	£'000
Employee Costs:			
Police Officer Pay	35,406	38,816	38,816
Police Staff Pay	2,313	2,480	2,480
PCSO's Pay	0	0	0
Traffic Wardens Pay	27	0	0
Total Pay	37,746	41,296	41,296
Police Officer Overtime	1,590	1,561	1,561
Police Staff Overtime	27	23	23
PCSO's Overtime	0	0	0
Traffic Wardens Overtime	0	0	0
Total Overtime	1,617	1,584	1,584
Other	14	13	13
Total Employment Costs	39,377	42,893	42,893
Police Officer Pensions	0	0	0
Running Expenses:			
Employee Related Expenditure	22	15	15
Premises Costs	0	0	0
Transport Costs	414	403	403
Supplies & Services	15,971	15,921	15,921
Capital Financing Costs	0	0	0
Total Running Expenses	16,407	16,339	16,339
Total Expenditure	55,784	59,232	59,232
Income	-25,699	-28,317	-28,317
Total Income	-25,699	-28,317	-28,317
NET EXPENDITURE	30,085	30,915	30,915

Pensions

Police Officer Pensions

Responsible Officer: Director of Human Resources

Key Activities:

The most significant change to expenditure budgets from 2005/06 arises from revised arrangements for the financing of police officer pensions, which come into effect on 1 April 2006. The majority of pensions previously paid out of general revenue are now met from a new pensions account, which is maintained outside the revenue account. Pension payments made from this account are mainly funded from an Accruing Superannuation Liability Contribution (ASLC - effectively an employer's pension contribution) charged to the revenue account for each police officer in the pension scheme and from the police officers' own pension contributions. Transfers to and from the pension scheme are also made through this account. The account is funded, if in deficit, by a grant from the Home Office; conversely, if the account is in surplus, a repayment is made to the Home Office. No budgets are prepared for this account.

The only elements still shown as pensions charges to revenue are ill-health early retirements, injury related survivor benefits and a small element relating to pension payments for 30+ scheme members (a Home Office scheme designed to encourage officers with over 30 years' service who would otherwise retire to continue working).

The ASLC charged for police officers in the police pension scheme is part of the overall cost of employing the officers and is therefore recognised against the police pay line. This is the most significant reason for the increase in police officer pay.

Police Officer Pensions

Police Officer Pensions		
	Budget 2005/06	Budget 2006/07
	£'000	£'000
Police Officer Pensions	412,634	28,475
Total Expenditure	412,634	28,475
Pensions Income	-123,234	0
Total Income	-123,234	0
NET EXPENDITURE	289,400	28,475

Yet to be allocated

Business Group:	Yet to be Allocated
Responsible Officer:	Director of Resources/ Finance Director

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
Allocation for inflation	59,951
<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. 	
Police Officer Special Priority Payments	4,200
<ul style="list-style-type: none"> • This budget will be allocated following analysis of payroll data showing distribution of payments. 	
High Priority Growth Areas. (See Page vii)	7,000
Counter terrorism: additional grants.	30,000
Other: Income.	-3,000
Total amount yet to be allocated	98,151

METROPOLITAN POLICE AUTHORITY

CAPITAL PROGRAMME

2006/07 to 2008/09

METROPOLITAN POLICE AUTHORITY

CAPITAL PROGRAMME 2006/07 to 2008/09

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INTRODUCTION

This section sets out the capital programme for the Metropolitan Police Authority for 2006/07 to 2008/09. The capital programme is now based on a three-year plan rather than a five-year span of previous budget books. This aligns with the budget submission as required by the Greater London Authority (GLA) and the revised capital grant settlement arrangements announced by the Home Office.

The capital programme is prepared in accordance with the **MPA's Capital Strategy**. This has as its key thrust the premise that capital investment should support core policing services and the achievement of key objectives. The Capital Strategy provides a clear picture of the Authority's process for managing its tangible assets by reference to corporate priorities. The latest priorities are set out in the recently published Corporate Strategy 2006-2009. The Capital Strategy focuses on processes to take forward a strategic led, priority driven, capital programme. Its effectiveness is reviewed annually in the light of changing needs and priorities. This ongoing re-evaluation of the strategy ensures that it remains effective and reflects developments in the Authority's objectives and best asset management.

Therefore, the capital programme is based on the focus given to the future direction of the Service by the Corporate Strategy and the demands imposed by policing London in the 21st Century. It is regularly reviewed and projects are prioritised on the basis of:

- Their alignment with the requirements of the Met Modernisation Programme.
- Meeting one or more of the strategic priorities within the Corporate Strategy.
- A mandatory legal requirement to provide a service or asset.
- The continuation or completion of a project where significant expenditure has already occurred and unjustifiable wastage of resources would result.
- Continuing or completing a capital project where there is a contractual commitment.
- Where significant revenue savings would result.
- A demonstrable need to replace an asset for efficiency purposes as noted within the relevant asset management plan.

Before the allocation of funding to individual projects can be proposed, consideration must be given to the:

- Determination of the funding sources available to 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.
- Assurance that sufficient capital cash reserves are maintained should critical capital expenditure issues arise.

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 service provider 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 service provider for each financial year are noted. A table summarising the scale of the three-year capital programme, and how planned expenditure is intended to be funded, is shown prior to the detailed service provider breakdown.

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 and regular monitoring reports are submitted to the MPA Finance Committee to confirm that projects are being delivered to timetable. In circumstances where 'slippage' or savings have occurred, recommendations are made to ensure that judicious use of funds occurs. In respect of programme slippage, the opportunity for project escalation is investigated in order to maintain expenditure at the budgeted level. This will eliminate, wherever possible, project management difficulties due to capacity issues.

The land and buildings capital programme has been structured on meeting the demands and pressures placed upon a modern and rapidly expanding police service. The Estate Renewal Programme has been developed to ensure we have suitable operational properties to provide the

modern policing agenda e.g. the planned introduction of patrol bases and custody clusters. The Programme also incorporates current policing initiatives such as the Safer Neighbourhoods Programme. Meeting support needs e.g. IT and transport is also a key priority. Emphasis is given to statutory and contractual obligations placed on the MPA. Recognition is also given to the initial property needs to support policing within the regenerated areas covered by the Thames Gateway and early preparations for the 2012 London Olympics. We plan to invest £146.28m in our corporate estate over the three-year capital programme.

Significant investment continues to be made. **The technology programme** continues to comprise of the Infrastructure Renewal Programme and the Information Strategy Implementation. Separate work streams are in place for the latter, embracing a number of projects. These deliver integrated information systems and assist in the detection/prevention of crime. The information technology programme totals £128.37m over the three-year term of the programme. This figure includes the establishment of a corporate data warehouse collating data from all of the key operational computer systems. This allows for a co-ordinated approach to system development and is paramount in advancing systems' architecture within the MPS. It will enable the implementation of a number of recommendations aimed at improving child protection procedures, intelligence record keeping and information sharing. Such recommendations emanated from the Bichard Enquiry and are contained within the Home Office's IMPACT programme.

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 £53.78m over the period 2006/07 to 2008/09.

The helicopter fleet is currently undergoing replacement and specific Home Office grants will assist its funding. £4.7m expenditure is planned for this purpose in 2006/07.

Investment in the **C3i Programme** continues. The programme comprises two strands – the C3i and Airwave Projects. The C3i project involves the replacement of the Authority's command and control system using leading edge technology. By facilitating the deployment of police officers in the most efficient and effective manner possible, this will enable the Service to manage and satisfy public demand for police services whilst maintaining emergency response levels. Project Airwave deals with the upgrade of the present police radio network. These two projects are presently estimated to spend in excess of £54.36m over the next two years, with completion expected in 2007/08. The majority of this expenditure is to be funded from specific grants awarded by the Home Office with the remainder to be met from MPA sources.

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 implementation of the **Safer Neighbourhoods Programme**. The capital expenditure element of the Programme is concerned with providing the facilities and equipment for these additional officers. It has been agreed that the capital costs associated with this initiative will be funded by flexibilities provided through the introduction of the Prudential Code for Capital Finance in Local Authorities. Costs for the Safer Neighbourhood Programme over the three-year capital programme are £52.1m. Phase 1, which commenced in 2004/05, has outstanding costs estimated at £1.15m and will be completed in 2007/08. Phase 2 costs, are programmed to complete in 2006/07 and are set at £11.94m. The final phase of the project will commence in 2006/07 and is estimated to cost £39.01m. Phase 3 will ensure completion of the initiative with the roll-out of the remaining 368 neighbourhood teams by 31 March 2007.

Allocations for service providers are largely determined by the number of ongoing projects to which the MPA is already committed, current policing priorities and objectives, and, as previously noted, schemes that 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. the C3i Programme and 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.

Inevitably, a higher level of capital investment is always desirable. However, due consideration must be given to the knock-on effects of an increased capital programme. It can create pressure on revenue costs if the additional investment has been financed by borrowing due to higher principal repayments and increased debt charges. There is also the potential for increased 'running costs'. Similarly, if disposal of existing assets is involved, then cash flow issues can arise due to the delay between securing funds to enable investment to take place and the receipts from sales being realised. The scale of the existing capital programme is therefore kept under regular review to ensure that capacity issues that extra investment creates can be suitably addressed.

Medium Term Capital Plan 2006/07 to 2008/09

Expenditure	Capital Expenditure		
	2006/07 £000	2007/08 £000	2008/09 £000
Property Based Programmes	37,224	50,263	58,788
Information Based Programmes (excluding C3i)	42,189	43,089	43,089
Transport Based Expenditure	18,015	19,063	16,697
Other Plant & Equipment Expenditure	5,029	300	300
Total - excluding C3i and SNTs	102,457	112,715	118,874
C3i Programme	47,094	7,264	0
Safer Neighbourhoods Programme	31,750	20,350	0
Grand Total - All Projects	181,301	140,329	118,874

Funding	Capital Expenditure		
	2006/07 £000	2007/08 £000	2008/09 £000
Police Capital Grant	31,912	25,338	35,856
Air Support Grant	1,845	0	0
Supported Borrowing	19,635	19,635	19,635
Unsupported Borrowing	32,863	36,951	27,017
Recycling of Property Estate	7,993	21,032	29,557
Capital Receipts	7,000	7,900	7,000
Usable Capital Reserves	209	859	-1,191
Other	1,000	1,000	1,000
Total - Funding of Business Groups	102,457	112,715	118,874
C3i Programme - Earmarked Capital Reserves	46,194	4,864	0
Third Party Contributions	900	2,400	0
Unsupported Borrowing Safer Neighbourhoods	31,750	20,350	0
Total Funding – Projects	181,301	140,329	118,874

Summary of Property Programme

MAIN PROGRAMME PROJECTS	Planned Capital Expenditure in:		
	2006/07 £000	2007/08 £000	2008/09 £000
Total expenditure for schemes commencing in:			
2002/03	500	0	0
2003/04	1,224	0	0
2004/05	16,750	23,250	31,500
2005/06	11,250	16,513	22,788
2006/07	7,500	7,500	4,500
2007/08	0	3,000	0
Property Services Projects	37,224	50,263	58,788

Summary of Information Technology Programme

MAIN PROGRAMME PROJECTS	Planned Capital Expenditure in:		
	2006/07 £000	2007/08 £000	2008/09 £000
Total expenditure for schemes commencing in:			
2001/02	1,120	0	1,105
2002/03	4,000	0	0
2003/04	3,388	2,332	1,532
2004/05	11,694	11,195	11,195
2005/06	10,154	5,000	5,000
2006/07	7,680	5,450	5,380
Contingency	4,153	19,112	18,877
Total Directorate of Information Projects	42,189	43,089	43,089

Summary of Transport Programme

MAIN PROGRAMME PROJECTS	Planned Capital Expenditure in:		
	2006/07	2007/08	2008/09
	£000	£000	£000
Cars	7,975	13,125	11,500
Vans and Commercial Vehicles	4,000	}	}
Motorcycles	300	}	}
Boats	400	200	200
Equipping Fleet for Operational Service	5,000	5,000	3,675
Replacement of externally funded vehicles - SCD	210	720	960
Replacement of externally funded Safer Streets vehicles	130	18	362
Total Transport Projects	18,015	19,063	16,697

Other Plant & Equipment Budgets

MAIN PROGRAMME PROJECTS	Planned Capital Expenditure in:		
	2006/07	2007/08	2008/09
	£000	£000	£000
Photographic Equipment	222	222	222
Catering Expenditure	60	60	60
Alcohol Level Testing Equipment	8	8	8
Office Plant and Machinery	10	10	10
Aircraft & Support Equipment	4,729	0	0
Other Plant & Equipment Budgets	5,029	300	300

MetCall Project & Airwave

MAIN PROGRAMME PROJECTS	Planned Capital Expenditure in:		
	2006/07	2007/08	2008/09
	£000	£000	£000
MetCall C3i Technology and consultancy	15,370	4,737	0
Sub Total	15,370	4,737	0
Airwave	28,424	2,527	0
Heathrow Special Schemes	3,300	0	0
Sub Total	31,724	2,527	0
Grand Total	47,094	7,264	0

SAFER NEIGHBOURHOODS PROGRAMME

Capital Costs Associated with Phase 1 of Programme	2006/7	2007/8	2008/9
	£'000	£'000	£'000
Information & Communication Technology			
C3i/Metcall	86	0	0
Handheld Mobile Data Terminals	519	0	0
Corporate Infrastructure	269	276	0
Total Phase 1	874	276	0

Capital Costs Associated with Phase 2 of Programme	2006/07	2007/08	2008/09
	£'000	£'000	£'000
Property			
New Build	3,687	0	0
Newly Leased	7,388	0	0
Adaptations to existing Accommodation	0	0	0
Sub Total	11,075	0	0
Information & Communication Technology			
Handheld Mobile Data Terminals	866	0	0
Sub Total	866	0	0
Total Phase 2	11,941	0	0

Capital Costs Associated with Full Rollout of Programme	2006/07	2007/08	2008/09
	£'000	£'000	£'000
Transport			
	250	265	0
Sub Total	250	265	0
Property			
	13,648	14,469	0
Sub Total	13,648	14,469	0
Information & Communication Technology			
	5,037	5,340	0
Sub Total	5,037	5,340	0
Total Phase 3	18,935	20,074	0
Grand Total	31,750	20,350	0

TECHNICAL ASSUMPTIONS

Capital Expenditure	Classification of expenditure is undertaken in accordance with accounting principles as laid down within the CIPFA Statement of Recommended Practice (SORP). Capital expenditure broadly 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.
Capital Grant	Grant is paid by the Home Office as a source of finance to support capital expenditure. It is not project specific.
Capital Grant Reserve	All available capital grant is credited to this account and used as appropriate to fund capital expenditure.
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.
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.
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.
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.
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 attracts support through the local government revenue grant settlement.

Unsupported Capital Expenditure

Capital expenditure funded by borrowing identified as affordable by the indicators set out in the Prudential Code (see above). It is **not** supported by local government revenue grant.

Usable Capital Receipts Reserve

Receipts in excess of £10,000 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 Authorities (Capital Finance and Accounting) (England) Regulations 2003.

Usable Capital Reserves

These reserves comprise (i) the Usable Capital Receipts Reserve; (ii) the Capital Grant Reserve; and (iii) the Earmarked Capital Reserve.