

MTFP Budget Projections for 2007/08 - 2008/09

(figures are shown as incremental)

Status	As per Finance Committee 21/9/06	Proposed for Finance Committee 19/10/06			Details of Changes
	2007/08 £m	2007/08 £m	2008/09 £m	2009/10 £m	
Funding:					
Estimated general grants (as per settlement for 2007/08; +2.5% for 2008/09 and 2009/10)	-1,883.7	-1,883.7	-1,930.8	-1,979.1	
Specific Grants (latest estimates)	-455.1	-455.1	-457.2	-457.2	
Additional Specific Grants - Safer Neighbourhoods	-44.1	-44.1	-44.1	-44.1	PCSO net reduction £10.5m from negotiations with HO
Additional Specific Grants - DSPs			-19.2	-19.2	Increased grant required to fully fund the currently mandated number of posts
Funding for Olympics Preparation	0.0	-4.0	-9.0	-23.0	Funding now confirmed from the GLA - see growth item below
Estimated precept (+5.5% in 2007/08; +4% in 2008/09 and 2009/10)	-640.8	-640.8	-666.4	-693.1	
Transfer to/from reserves	0.0	0.0	0.0	0.0	
Draft Total Funding	-3,023.7	-3,027.7	-3,126.7	-3,215.7	
Base Budget (Net Expenditure)	2,882.0	2,882.0	3,027.7	3,126.7	
Less additional savings required in 2006/07 to balance budget	-6.9	-6.9			
Revised Base Budget (Net Expenditure)	2,875.1	2,875.1	3,027.7	3,126.7	
Revised provision for inflation including 2006/07 base budget revisions	83.8	83.8	80.1	86.0	
Sub-Total	83.8	83.8	80.1	86.0	
Committed increases					
Full year effect of rollout of SNTs in 2006/07	44.7	44.7	0.0	0.0	
Additional Safer Neighbourhoods cost for PCSOs	33.6	33.6	0.0	0.0	PCSO net reduction £10.5m from negotiations with HO
Investment Board Fund	30.0	15.0	10.0	10.0	Reduced following Management Board 13 September
Additional DSP expenditure for mandated number of posts	0.0	0.0	19.2	0.0	Increase spend required to fully fund mandated number of posts (matched by extra specific grant)
Shortfall of current DSP funding to SO	23.0	23.0	0.0	0.0	Shortfall in current grant allocation to SO
Additional CT expenditure to match additional CT grant	15.0	15.0	0.0	0.0	
ATOC	0.0	8.0	0.0	0.0	HMRC now consider free rail travel provision taxable
Rollout of polie staff into Integrated Borough Operations (IBOs)	0.0	7.5	0.0	0.0	Rollout of IBOs partially funded by additional income from TfL in relation to extra PCSOs - see Efficiency and other savings below
Estate utilities - price increases above inflation	6.8	6.8	7.7	7.2	
Support costs of IT projects into service	6.2	6.2	5.7	6.0	
Designated Detention Officers - loss of grant	0.0	0.0	6.5	0.0	Will now continue in 2007/08, but likely to cease from 2008/09 (sum revised to £6.5m)
Forensics (Demand Led)	5.0	5.0	5.0	5.0	
Reconfiguration of HR Services delivery model	4.0	4.0	4.0	0.0	
Initial police learning & development training (IPLDP)	2.0	2.0	0.0	0.0	Sum agreed by IB as £2m
Airwave	3.0	3.0	0.0	0.0	
Data Centres	2.3	2.3	0.9	0.0	
London pay lead	2.3	2.3	2.1	2.0	
FME's (Demand Led)	2.0	2.0	2.0	2.0	
Support for covert and overt ops	0.0	0.0	0.0	0.0	To be managed within current budget level
Rental and related contractual liabilities (Property)	1.7	1.7	2.3	2.9	
DNA (Demand Led)	1.5	1.5	1.0	0.5	

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DNA analysis growth	1.1	1.1	1.1	1.1	
Interpreters (Demand Led)	1.0	1.0	1.0	1.0	
Sub-Total	185.0	185.5	68.5	37.7	
Committed decreases					
Airwave	0.0	0.0	-7.8	-4.8	
Capital financing charges reduction	-9.0	-9.0	0.0	0.0	Reduced following reassessment of budget
Progressive reduction in Housing related allowances	-5.0	-5.0	-5.0	-4.9	
C3i	0.0	0.0	-4.8	-1.6	
MetTime	0.0	0.0	-3.6	0.0	Not expected to be achievable until 2008/09
Transport Services transition costs for outsource contracts	-3.3	-3.3	0.0	0.0	
Modernising Operations	0.0	0.0	-2.0	0.0	Not achievable in 2007/08 due to C3i delay-now planned for 2008/09
Procurement Services transitional funding for 2nd generation outsource contracts	-1.2	-1.2	-0.5	0.0	
Additional charges command and control	-0.1	-0.1	0.0	0.0	
Transfer of Coroners' Officers to the new Coronial Service	0.0	0.0	0.0	0.0	Item removed as Coroners' Office will not now be transferring
Sub-Total	-18.6	-18.6	-23.7	-11.3	
Efficiency and other savings					
Procurement- PROSPA project	-16.1	-16.1	-2.8	0.0	Savings spread over three years beginning in 2006/07
Income from TfL for extra PCSOs	0.0	-7.5	0.0	0.0	Additional income from TfL being used to partially fund rollout of IBOs (see Committed increases above)
Metcall - reduction in various budgets	-0.2	-0.2	0.0	0.0	
Buy electricity on price alone as part of green policy	-0.5	-0.5	-0.5	0.0	
Vacancy management and robust management vehicle recovery contractor expenditure	-0.1	-0.1	0.0	0.0	
Sub-Total	-16.9	-24.4	-3.3	0.0	
New initiatives					
Olympics Preparation	4.0	4.0	5.0	14.0	Figures subject to possible change - see funding above
Firearms/ Public Order Training for 2006/07 Onwards	2.6	2.6	0.0	0.0	
Sub-Total	6.6	6.6	5.0	14.0	
Total growth/savings	239.9	232.9	126.7	126.4	
Draft Net Budget	3,115.0	3,108.0	3,154.4	3,253.1	
Additional savings required to balance budget (cumulative)	-91.3	-80.3	-27.6	-37.5	
Revised Net Budget (carried forward)	3,023.7	3,027.7	3,126.7	3,215.7	