

## REQUEST FOR DMPC DECISION – PCD 163

**Title: MOPAC/MPS Financial Performance Quarter 3 2016/17**

### Executive Summary:

This report sets out the current forecast revenue financial position of MOPAC/MPS, an underspend of £11.8m, representing 0.5% of the net budget. The paper includes a series of proposed budget and reserve movements, and the forecast capital position of £195m. Progress on planned savings is set out.

### Recommendation:

That the DMPC

1. Approves the revenue budget movements set out in paragraphs 2.1-2.3
2. Approves the reduction in the forecast use of reserves as set out in paragraphs 2.2-2.3
3. Notes the forecast 2016/17 revenue financial position of a £11.8m underspend (which takes account of the above proposed budget movements and use of reserves)
4. Notes the forecast 2016/17 capital financial position of £195m spend
5. Notes the progress on planned savings, and the actions MPS propose to mitigate the risks

### Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

**Signature**

*Edie Under*

**Date**

*8/3/17*

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 As part of MOPAC's and MPS corporate governance arrangements regular monthly and in-depth quarterly monitoring processes are in place to track spend against budget and the achievement of planned savings and income targets.
- 1.2 In line with the Scheme of Delegation and Consent the DMPC is responsible for the approval of all MPS proposed budget movements and virements in excess of £500,000 which are highlighted on a monthly basis as part of the monthly budget monitoring report, and approval of all transfers to and from reserves.

#### **2. Issues for consideration**

##### Budget Movements

- 2.1. The MPS has submitted a detailed schedule of proposed revenue budget movements building on the budget approved by the Mayor in February 2016 and previous approvals. The detail is set out in Appendix 4 of the attached annex.
- 2.2. In summary these relate to changes to:
- improved management reporting and updates to assumptions made in the original budget,
  - reflect changes to grant income and the related expenditure in relation to Operation Elter and additional income from the Home Office. There is no net effect on the budget, and
  - reduction in the use of reserves, specifically a reassessment of the firearms uplift, which has resulted in £13.7m of spend being moved to 2017/18.
- 2.3. Specifically, in relation to the proposed reduction in the use of reserves of £13.1m the impact is set out below.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
<b>Outturn/Forecast</b>	Outturn	Forecast	Forecast	Forecast	Forecast
Opening balance	297	193	111	89	64
Use in year	(104)	(82)	(22)	(25)	14
Closing balance	193	111	89	64	78

- 2.4. The MPS are in the process of revising the capital programme as part of the 2017/18-20/21 budget submission, which will amend the 2016/17 and future years' capital budgets to reflect the latest forecast for 2016/17. Currently the 2016/17 forecast is to spend £195m, some £92m less than the proposed budget (£287m).

##### Forecast Reporting

- 2.5. Taking account of the proposed reduced use of reserves and revenue budget movements above, the MPS are forecasting a net £11.8m underspend for 2016/17. Appendix 1 of the attached sets out

the year to date and forecast position by budget and explains the major forecast variances which in summary are:

- Shortfall in planned savings – there are significant planned savings of £126.9m included in the 2016/17 budget and the forecast is showing a shortfall against this target of £45.5m (36%). Of the £45.5m the MPS consider £36.7m to have structural delivery problems and may impact also on the delivery of savings in future years. Of the remaining £8.8m, the savings are expected to be delivered but not in the anticipated timescales. A significant element of shortfall within structural delivery is £26.9m for Digital Policing (DP) and £9.8m of other savings.
- Officer pay – there is a forecast underspend of £38.3m, of which £6m relates to posts which were expected to be externally funded. There is an offsetting forecast under-recovery of income, leaving a net underspend of £32.8m.
- Staff pay – the net forecast underspend of £25.2m, of which £8.5m relates to posts which were expected to be externally funded. There is an offsetting forecast under-recovery of income, leaving a net underspend £16.7m. The majority of the internally funded underspend relates to vacancies mainly in Territorial Policing (TP). Within TP some of the forecast underspend is due to under strength positions within Criminal Justice, such as Dedicated Detention Officers.
- Police Officer overtime – a net forecast overspend of £18.6m.
- Police staff overtime – a net forecast overspend of £2.3m has increased from Quarter Two and primarily relates to reductions in police staff pay forecasts this quarter in TP and cover for vacancies.
- Digital Policing (DP) – forecast overspend of £30.3m an increase of £6m from Quarter 2. There is a high risk DP will be unable to meet their planned savings target for this year. DP is also planning to use £24m worth of reserves.
- The firearms uplift programme envisaged expenditure on firearm ranges and the development of other training facilities. As the detailed requirements have been finalised expenditure is now scheduled for 2017/18. This funding has been deferred in the reserves

- 2.6. The original capital programme for 2016/17 was approved at a value of £265m. The latest forecast is against a revised budget of £287m with spend of £195m and underspend of £92m. A comprehensive review is being undertaken of the capital programme areas as part of the annual joint MPS/MOPAC budget scrutiny process. A revised plan for 2016/17 and 2017/18 has been prepared.

### **3. Financial Comments**

- 3.1. As this is a financial report the financial implications are contained within the body of the report.

### **4. Legal Comments**

- 4.1. Under section 3 (6) of the Police Reform and Social Responsibility Act, MOPAC is under a duty to secure the maintenance of an efficient and effective police force. Under paragraph 7 of schedule 3 of the 2011 Act MOPAC may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of its functions. Under section 79 of the Act, MOPAC must have regard to the Policing Protocol when exercising its functions. The Policing Protocol provides that PCCs (including MOPAC) as recipient of all funding, must determine how this money is spent.
- 4.2. MOPAC/MPS as statutory bodies must only budget for activities that fall within its statutory powers. Under the Scheme of Delegation and Consent the DMPC must approve any budget movement for £500,000 or above. Under Financial Regulations all decisions in relation to the transfer in and out of reserves will be made by the DMPC.

### **5. Equality Comments**

5.1. Equality and diversity implications have been considered and there are no negative impacts identified from the proposals.

**6. Background/supporting papers**

6.1. Annex 1 MPS Financial Performance Report for Quarter 3

---

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

**Part 1 Deferral:**

Is the publication of Part 1 of this approval to be deferred? No

If yes, for what reason:

Until what date:

**Part 2 Confidentiality:** Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – No

**ORIGINATING OFFICER DECLARATION:****Head of Unit:**

The SFRM team has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

**Legal Advice:**

The MPS legal team has been consulted on the proposal.

✓

**Financial Advice:**

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

**Equalities Advice:**

Equality and diversity issues are covered in the body of the report.

✓

**OFFICER APPROVAL****Chief Executive Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature *R. Lawrence*

Date *8/3/17*



---

## Financial performance report for Quarter Three 2016/17

---

### A REPORT SUMMARY

1. This is the third full quarterly financial monitoring report for 2016/17 for the MOPAC Group. The current revenue forecast outturn position for 2016/17 continues to show a favourable position with a projected underspend of £11.8m at Quarter Three allowing for approved and pending transfers to and from reserves. This represents an increase of £4m from Quarter Two.
2. Capital expenditure for 2016/17 is forecast to be £195m against the current Capital Programme spend of £287m, with a variation of £92m. The forecast underspend has risen by £44m over the last quarter primarily as a result of slippage in projects for Digital Policing (£28m) and PSD (£12m).
3. The 2016/17 year end forecast for capital receipts has been reduced from £474m to £458m to reflect the timetable for Mayoral decisions. On 31 January the Capital Programme for 2016/17 and future years was revised to reflect the revised expenditure forecast and re-profiled receipts and submitted to Oversight Board for DMPC approval.
4. A number of budget moves are submitted to the DMPC for approval. The key budget move this quarter relates to the re-scheduling of £13.7m expenditure on the firearms uplift until 2017/18 and reduced requirement to draw down on our earmarked reserves in 2016/17 as originally planned.

### B RECOMMENDATIONS

The DMPC is asked to:

1. Note the current 2016/17 financial position and the continued success against planned £127m savings target overall in the current year (notwithstanding the high risk of non-delivery of DP savings identified in Recommendation 4 below);
2. Note the ongoing work by the People and Training Board to determine how the reliance on agency staff can be mitigated in future, however it is not yet sufficient to provide the required assurances, therefore this report recommends a Gold Group to provide direction and oversight;
3. Note the forecast position on the Capital Programme at the end of Quarter Three and that the Capital Programme was updated for the Oversight Board on 31 January 2017 and for the Mayor's final budget.
4. Approve the proposed budget movements since Quarter Two including a net reduction of £13.1m in the use of planned reserves.

### C SUPPORTING INFORMATION

#### Governance and Good Housekeeping

##### Revenue reserves and budget movements

1. It is a requirement that the DMPC approve all new applications of earmarked reserves and all revenue and capital budget movements over £500,000 in line with the MOPAC Scheme of Consent and Delegation. The report seeks DMPC approval for the following revenue budget movements (detailed in full in Appendix 4).

a) £13.1m net reduction in budgeted reserves

This net movement reflects the need to use fewer earmarked reserves than planned in the approved budget due to:

- A reassessment of the firearms uplift, which has shown that £13.7m of the expenditure will be incurred in 2017/18, resulting in a reduction of planned use of reserves in the current year, offset by
- Proposed £0.6m of minor transfers from reserves (less than £500k) to fund One Met Model Change Costs and the Total Professionalism Major Change Fund costs.

b) Adjustments to the budget to reflect new grants and income and related expenditure over £500k.

These movements are shown Appendix 4 and have a net nil effect on the MPS. They reflect the application of additional income and grant funding in relation to Operation Elter (scoping study - National Public Order Intelligence Unit) and additional income from the Home Office following a successful Police Innovation Fund bid. As this expenditure is 'self-funded' there is no overall increase in the overall budget or decrease in reserves.

c) Budget structural changes to reflect basic housekeeping, good practice and updates to the assumptions made in September underpinning the budget over £500k.

Full details are provided in Appendix 4 and reflect re-profiling of budgets to better reflect actual expenditure. Again there is no overall increase in the MPS overall budget.

**Movements on the capital programme**

2. The 2016/17 capital programme has been reviewed and was submitted to Oversight Board for approval by the DMPC on 31 January 2017. There are no approvals from the DMPC sought in relation to changes to the Capital Programme in this report.

**Financial performance for 2016/17 - revenue**

3. The MOPAC Group is forecasting an overall net underspend of £11.8m (0.5%) for the year against the approved net budget of £2,498m. The Revenue Forecast Statement for Quarter Three is shown in Table 1 below. The position at Quarter Three reflects an underspend on police officer and police staff pay offset by some short and medium term difficulties in achieving planned savings in overtime and information technology costs. The outturn forecast reflects management actions and recommendations to mitigate against these difficulties and pressures (See Action Plan below).
4. The £4m forecast variance movement between this and the last quarter is comprised of a number of compensating movements. Further details are provided below but in summary police officer and police staff pay has further reduced by £2.9m and £3m respectively as the gap between budgeted FTE and forecast continues to widen. In contrast police officer and staff overtime has risen by £2.2m and there has been a net increase in running costs of £2.5m the majority of which relates to information technology costs. The balance is due to favourable movements in discretionary pensions and income forecasts.



### **Achievement of savings target**

5. Whilst the overall position remains largely favourable at Quarter Three, the MPS should be mindful that there are a number of pressures going forward in 2017/18 and beyond. The MPS has to deliver £300m of additional savings by 2020/21 including £74m in the 2017/18 base budget alone. Given these pressures and expectations it is therefore important that Management Board continue to give priority to mitigating future difficulties wherever possible and achieving planned savings this year and thereafter as well as considering additional savings (over-programming) by way of contingency.
6. As at 31 Dec 2016, the MPS is still confident that £81.4m of the £126.9m savings target will be delivered this financial year (against £84.3m forecast in Quarter Two). A further £8.8m will be delivered in 2017/18 and there is a high risk to delivering £36.7m (28.9%) which includes £26.9m of DP savings (21.2%) and £9.8m of other savings (7.7%) built into the original savings target. The MPS continues to undertake planned management actions to address all the identified risks (see Action Plan below).

#### **Police officer pay (underspend increased by £2.9m to £38.3m during Quarter Three)**

7. The MPS has spent £1,342.9m to date and is currently forecasting an outturn position of £38.3m underspend on police pay against the revised budget of which £32.8m relates to internally funded posts.
8. The increased underspend for police officer pay reflects the latest workforce modelling performed at the end of December 2016 which shows that our projected police officer strength for the remainder of the year will remain significantly below the affordable budgeted level and the end of year target in the workforce plan will not be achieved.
9. TP are significantly over strength against the affordable design at Quarter Two due to difficulties in releasing trained officers into other business areas particularly within SC&O and funded posts. The difficulties were exacerbated by the lack of Detective Constables (DCs) who are hugely under design across all of the MPS. To adjust for this it was recommended in the Period 7 MMR Report to move the budget capacity held centrally to offset the £21.5m overspend in TP caused by the difficulties in releasing trained officers into other business areas. This budget movement mitigated the TP overspend to reflect where the officers are and the revised OMM staffing design. This move also underpins devolved financial management in the MPS. Going forward future business group's pay budgets will incorporate OMM transformation proposals.

#### **Police staff pay - (underspend increased by £3m to £25.2m during Quarter Three)**

10. The MPS has spent £349.4m to date and is currently forecasting an outturn underspend of £25.2m on police staff pay most of which £16.7m is internally funded.
11. Through this financial year the majority of this internally funded underspend has been within TP and relates to delays in appointing Dedicated Detention Officers (DDOs) within Met Detention and Forensic Health Care Nurse recruitment as well as vacancies across the Boroughs for Public Access Officers. The other significant gaps are in LDSS Administrators and Communications Officers. Gaps in police staff pay are being partly managed through their other devolved budgets such as supplies and services (as Forensic Medical Officers who are used to provide cover the nurse vacancies) and police officer overtime (as police officers provide cover in Met Detention).
12. The increased underspend reflects further vacancies within SO, TP and SC&O partially offset by a small increase in police staff pay in DP and Met HQ due to the realignment of the capital

programme (see above) and delayed capitalisation of police staff costs.

#### Agency staff

13. It should be noted that the MPS is currently relying on significant numbers of agency staff often costing more than the average cost of a permanent member of staff. The number of interim posts has increased over the last quarter (485 FTE end of September to 507 at the end of December). This trend is expected to increase to the end of the year. There is expected to be growth in BAU areas such as LDSS and Vetting and in change roles such as the Portfolio Transformation Office, where there is pressure to utilise agency staff. SO will appointing 150 ex-officer agency workers over the next quarter.
14. Going forward numbers assigned to departmental transformation programmes such as in Finance, DP and Commercial are expected to reduce in 2017/18 as staff are either recruited or the changes implemented. There will be a reduction in agency staff numbers in LDSS as permanent staff are recruited but this is not likely to be until March/ April 2017.
15. The People and Training Board are currently reviewing the usage and controls around agency staff, to understand the key drivers and determine how these staff can be reduced in future. A full review of the impact of the IR35 changes announced in the Government's budget 2016. These changes to the taxable benefits of agency staff, which will apply in the public sector from April 2017. This may have a small impact on the numbers above at the end of the fourth quarter as MPS agency staff consider their options and potentially move to the private sector.
16. A plan needs to be developed clearly identifying numbers working on BAU activities from those agency staff required for the change programme. It is recommended that the MPS establish a Gold Group to demonstrate better control across the organisation over agency staff numbers, develop forward plans to allow the numbers to be tracked, variations explained and enable Management Board to make informed decisions on optimal levels.

#### Police officer and police staff overtime (overspend increased by £2.2m to £20.9m during Quarter Three)

17. The MPS is forecasting an overspend of £18.6m on police officer overtime and £2.3m on police staff overtime as gaps in police officer and staff numbers are managed in devolved budgets. For instance one of the key reasons for the overspend in police officer and staff overtime relates to the under-strengths within DDO's in Met Detention Custody and within Roads Policing mainly due to TFL funded operations such as Op Neon (unlicensed Cab Hire) and additional activity requests from TFL. During the last quarter there were minimal increases in the forecast for police officer overtime. The forecast for police staff overtime however has increased from Quarter Two by £2m which primarily relates to reductions in police staff pay forecasts this quarter in TP and cover for vacancies.
18. In controlling police officer overtime the MPS faces particular pressures this year and the overall overtime position is being kept under careful review by the Deputy Commissioner's Overtime Gold Group and by the Assistant Commissioners' COGs (see Action Plan below). The most recent meeting of the Overtime Gold Group took place on 9 November 2016 with the next meeting planned for February 2017. The last meeting discussed current overtime spends and questioned what the drivers were for overtime costs in each Business Group.

#### Digital Policing (overspend increased by £6m to £30.3m during Quarter Three)

19. There are particular pressures for the MPS this year relating to the staged process to implement the DP Target Operating Model. There is a high risk that DP will be unable to meet their planned

---

savings target for this year and DP are currently forecasting an overspend of £30.3m in addition to using £24m worth of reserves.

20. On 18 January a full presentation was prepared for the Management Board Away Day as part of an in-depth review outlining future strategy and budget issues over the next five years. This did not however identify any savings to offset the pressures in 2017/18 to balance the DP revenue budget nor identify any savings for future years. Management Board therefore need to urgently identify compensating savings for 2017/18 before the final budget is resubmitted to MOPAC for approval in advance of the Oversight Board on 31 January, as well as revisit the financial strategy for future years.

### **Capital Programme**

21. Capital expenditure for the year is forecast at £195m against a 2016/17 programme of £287m, with a variation of £92m forecast at year end. Actual capital expenditure to date as at December 2016 is £119m.
22. Further details including an analysis of spend on key projects against the new Portfolio Structure can be found in Appendix 3.
23. It should be noted that the MPS and MOPAC are undertaking a comprehensive review of the 2016/17 capital programme and subsequent years (to 2020/21) as part of the annual joint MPS/MOPAC budget scrutiny process. A revised Capital Programme is currently being drafted for submission to the Oversight Board on 31 January 2017 to drive out the over-optimism we have seen in recent years. The forecasts shown here are based on the position at the 31 December 2016 against the original 2016/17 Capital Programme approved by the DMPC at the start of the year (including any agreed minor budget movements in year).

### Overall revenue position against the updates 2016/17 budget

The table below provides a summary of the Quarter Three position for subjective budgets for the MPS and MOPAC. The total year to date figures for Column 1 are based on updated budget profile as part of the detailed forecast exercise for this quarter. These profiles have been updated to reflect recent events and new information that has come to light since the budgets were originally set. The forecast outturn position at the end of Quarter Three shows an underspend of £11.8m.

**Table 1 MOPAC Group Summary Revenue Budget Monitoring Statement for Quarter Three of 2016/17**

Year to Date Budget £m	Year to Date Actuals £m	Year to Date Variance £m	Cost category	Annual Budget £m	Forecast £m	Variance £m	%
1,365.9	1,342.9	-23.0	Police Officer Pay	1,829.6	1,791.3	-38.3	-2.1%
368.1	349.4	-18.7	Police Staff Pay	490.7	465.5	-25.2	-5.1%
46.5	46.2	-0.2	PCSO Pay	61.1	60.6	-0.4	-0.7%
<b>1,780.4</b>	<b>1,738.5</b>	<b>-41.9</b>	<b>Total Pay</b>	<b>2,381.3</b>	<b>2,317.4</b>	<b>-63.9</b>	<b>-2.7%</b>
54.0	64.3	10.3	Police Officer Overtime	70.5	89.1	18.6	26.4%
15.9	17.6	1.7	Police Staff Overtime	21.2	23.5	2.3	10.8%
0.2	0.1	-0.1	PCSO Overtime	0.3	0.1	-0.2	-66.7%
<b>70.2</b>	<b>82.0</b>	<b>11.8</b>	<b>Total Overtime</b>	<b>92.0</b>	<b>112.7</b>	<b>20.8</b>	<b>22.6%</b>
<b>1,850.6</b>	<b>1,820.5</b>	<b>-30.1</b>	<b>Total Pay &amp; Overtime</b>	<b>2,473.3</b>	<b>2,430.1</b>	<b>-43.2</b>	<b>-1.7%</b>
35.4	35.8	0.5	Employee Related Expenditure	49.0	52.6	3.6	7.3%
131.0	129.6	-1.4	Premises Costs	168.6	168.4	-0.2	-0.1%
42.4	48.4	6.0	Transport Costs	57.1	63.1	6.0	10.5%
339.5	321.2	-18.3	Supplies & Services	483.2	513.5	30.3	6.3%
<b>548.3</b>	<b>535.1</b>	<b>-13.1</b>	<b>Total Running Expenses</b>	<b>757.8</b>	<b>797.5</b>	<b>39.8</b>	<b>5.3%</b>
32.2	35.3	3.1	Capital Financing Costs	43.0	42.9	0.0	0.0%
26.9	24.8	-2.1	Discretionary Pension Costs	35.9	33.5	-2.4	-6.7%
<b>2,458.0</b>	<b>2,415.7</b>	<b>-42.3</b>	<b>Total Gross Expenditure</b>	<b>3,309.9</b>	<b>3,304.1</b>	<b>-5.8</b>	<b>-0.2%</b>
-204.0	-203.3	0.7	Other Income	-273.3	-277.2	-3.9	1.4%
-317.2	-317.0	0.2	Specific Grants	-434.0	-439.6	-5.5	1.3%
-33.4	-22.1	11.3	Transfers to/(from)Reserves	-104.2	-100.8	3.4	-3.3%
<b>1,903.3</b>	<b>1,873.3</b>	<b>-30.0</b>	<b>Total Net Expenditure</b>	<b>2,498.4</b>	<b>2,486.5</b>	<b>-11.8</b>	<b>-0.5%</b>
-1,845.4	-1,847.0	-1.6	Funding (General Grant & Precept)	-2,498.4	-2,498.4	0.0	-
<b>57.9</b>	<b>26.3</b>	<b>-31.6</b>	<b>Overall MPS &amp; MOPAC Total</b>	<b>0.0</b>	<b>-11.8</b>	<b>-11.8</b>	<b>-</b>

**Update on savings delivery**

The table below shows the current position on the deliverability of the £126.9m savings proposal for 2016/17. As at 31 December 2016, the MPS is still confident that £81.4m of the £126.9m savings target will be delivered this financial year (against £84.3m forecast in Quarter 2). A further £8.8m will be delivered in 2017/18 and there is a high risk to delivering £36.7m which includes £26.9m of Digital Policing savings built into the original savings target. The MPS continues to undertake planned management actions to address all the identified risks.

	Planned Saving (£m)	Forecast Saving (£m)	Variation (£m)
Savings with structural delivery problems	-47.0	-10.3	36.7
Savings with timing delivery problems	-24.5	-15.7	8.8
Savings that are forecast to be delivered in full	-55.4	-55.4	0.0
Overall Total – MPS	-126.9	-81.4	45.5

## Appendix 3

### Capital Programme analysed across new portfolios

In line with the new MPS One Met Model Portfolio Structure, the capital programme managed by individual departments, has been analysed across 13 portfolios (note not all MPS portfolios have capital budgets). Only the portfolios with capital budgets are listed here.

The table below shows the year to date position and the full year forecasts across the portfolios.

#### Summary position of spend by Portfolio – December 2016

MPS Portfolio structure	Budget 2016/17 £m	Actuals £m	Forecast £m	Variance £m
Strengthening our Armed Policing Capability	2.2	0.7	3.8	1.6
Creating a Business Support function of the Future	1.1	0	0.2	-0.9
Enhance Digital Policing for 2020	32.1	19.2	27.2	-4.9
Improving Public Access and first contact	3.9	1	4.6	0.7
Optimising Response	19.3	4.5	10	-9.3
Reinforcing HQ, Improving Information Management	2	0	1.2	-0.8
Smarter Working	46.3	6.2	19.8	-26.5
Transforming Investigation and Prosecution	30.5	10.5	24.4	-6.1
CT Policing Change Portfolio	12.6	4.3	14.8	2.2
DP Adjustment	0	0	-6.4	-6.4
	<b>150.0</b>	<b>46.4</b>	<b>99.6</b>	<b>50.4</b>
Delivering Maximum Commercial Efficiency – Fleet	23.2	10.1	17.7	-5.5
Transforming the MPS Estate	113.8	62.4	77.5	-36.3
<b>Total Capital Programme</b>	<b>287.0</b>	<b>118.9</b>	<b>194.8</b>	<b>-92.2</b>

## Appendix 4

### Detailed analysis of recommended budget moves to be submitted to DMPC for approval

Apart from the decreased use of reserves, the net impact of these movements on the approved budget is nil.

	Business Group	Police Officer Pay	Police Staff and PCSO Pay	Police Officer Overtime	Police Staff and PCSO	Running expenses	Capital Financing costs	Discrety Pensions	Income	Grants	To/from Reserves	Grand Total	
a) Decreased application of reserves													
Reduced planned use of reserves due to rescheduling of Firearms uplift expenditure (RCCO)	Centrally Held					-	7.7				13.7	6.0	
Reduced planned use of reserves due to rescheduling of Firearms uplift expenditure (Revenue)	SC&O					-	6.0				-	6.0	
Increased application of reserves total		-	-	-	-	-	13.7	-	-	-	13.7	-	
b) Application of new income/grants > £0.5m													
Operation Elter (scoping study - National Public Order Intelligence Unit)	MetHQ	0.3	0.6						-	0.8	-	-	
Additional money from Home Office following successful innovation fund bid	MOPAC						3.4		-	3.4	-	-	
Application of new income/grants total		0.3	0.6	-	-	-	3.4	-	-	4.2	-	-	
c) Budget structural changes >£0.5m													
Budget re-profile in relation to Firearms uplift (correction of budget build position)	SC&O	0.1	0.2	0.8	0.0	-	1.0				-	-	
Major Change Plan - realignment of budget to match expenditure on PTO Change Team	Met HQ/Centrally held		0.5			-	0.5				-	-	
Public Inquiry Team - realignment of budget to match expenditure on Pitchford Inquiry	Met HQ/Centrally held		0.3	0.1		-	0.4				-	-	
Budget structural changes total		0.1	0.9	0.8	0.0	-	1.9	-	-	-	-	-	
d) Various budget moves under de minimum of £500,000 which have been aggregated (do not need approval from DMPC)													
Various		0.0	0.2	0.3			0.9		-	0.8	0.6	0.0	
Total Budget Movements													
		0.4	1.6	1.2	0.0	-	11.3	-	-	-	13.1	0.0	
Revised budget approved by DMPC at end of Quarter 2													
		1,829.2	550.1	69.4	21.5	769.0	43.0	35.9	-	273.3	-	117.3	2,498.4
Revised budget Quarter 3 (to be approved)													
		1,829.5	551.7	70.6	21.5	757.7	43.0	35.9	-	273.3	-	104.2	2,498.4

