

Budget Monitoring Sub-Committee – Wednesday, 11 September 2019

Transcript of Item 6 – Q1 2019/20 Review – Panel A

Gareth Bacon AM (Chairman): Item 6, which is the main item of business today, is the first quarter of 2019/20 review. Can I welcome our guests. The meeting is in two parts today. In the first part, we are looking at policing. In the second part, we will be looking at Transport for London (TfL). In the first part, can I welcome our guests, Peter Lewis, who is the Chief Finance Officer (CFO) at the Mayor's Office for Policing and Crime (MOPAC), and Ian Percival, who is the Finance Director at the Metropolitan Police Service (MPS). Welcome, gentlemen. Thank you very much for coming along.

The opening question, which is one that obviously occupies a lot of time for Members here and occupies time with the Mayor, is around police numbers. The Mayor set a target to get to 31,000 by the end of the financial year. How are you tracking against that?

Ian Percival (Finance Director, Metropolitan Police Service): We are tracking well at the moment. We have a healthy pipeline at the moment. Our forecasts are that we are still on target to reach the 31,000 by the end of the calendar year.

Gareth Bacon AM (Chairman): By the end of March of next year?

Ian Percival (Finance Director, Metropolitan Police Service): No, the target we are aiming to get --

Gareth Bacon AM (Chairman): The March of 2020 is what I meant.

Ian Percival (Finance Director, Metropolitan Police Service): The end of the calendar year.

Gareth Bacon AM (Chairman): By the end of the calendar year?

Ian Percival (Finance Director, Metropolitan Police Service): We are hoping to reach 31,000.

Gareth Bacon AM (Chairman): OK, so within three months from now?

Ian Percival (Finance Director, Metropolitan Police Service): Yes.

Gareth Bacon AM (Chairman): What is the current number?

Ian Percival (Finance Director, Metropolitan Police Service): At the end of August, about 30,300.

Gareth Bacon AM (Chairman): OK. How often are the recruitment rounds conducted? A recruitment round is not overnight, so how often do people pass out?

Ian Percival (Finance Director, Metropolitan Police Service): I think monthly, but I am not close to the detail on that.

Gareth Bacon AM (Chairman): OK. Are you comfortable with the level of vacancies you have at the moment? You suggested you were just now. You said that would be at the end of the year.

Ian Percival (Finance Director, Metropolitan Police Service): Obviously we want to recruit to our target as quickly as we can, and that is our plan.

Gareth Bacon AM (Chairman): OK. If you do not hit the target by the end of the year, what will be done to correct that? A lot of political capital is invested in the 31,000.

Ian Percival (Finance Director, Metropolitan Police Service): We are doing everything we can. If you look at the pipeline of recruits that we have, it is very healthy. The number of joiners is very positive. As I say, from our workforce planning colleagues, we have a confidence that that pipeline will continue. We have additional growth coming soon as well as additional money, so we will do what we can – if it looks like there are lags – around additional advertising to keep the pipeline healthy.

Gareth Bacon AM (Chairman): OK. One of the things that came out of the first quarter report was that police spend was overspent by £53 million, and 60% of that, £32 million of that, was police overtime. Is that connected to lack of officers, or is that connected to operational necessity?

Ian Percival (Finance Director, Metropolitan Police Service): It is largely connected to operational necessity. The Commissioner's stated aim is to clamp down on violence, so there is a lot of operational activity, and also, we have had quite a challenging year to date with the Extinction Rebellion and the various protests that we have had to police. It has been quite a challenging operational year. That is the main driver for the overspend.

Gareth Bacon AM (Chairman): I will let Assembly Member Duvall come in briefly, and then I will take you back again.

Len Duvall AM (Deputy Chair): On the overtime, in terms of your forecast on the overtime on the three-year strategy, are you building into it – do you have a criteria of it going upwards, rather than going downwards? It used to be something the MPS used to control. It is a very useful policing tool. I understand that. I get that. Overtime has crept up in the past because of the lesser number of officers. We now see a different level of activity on different things. What are the factors? What are you taking into account in terms of your forecasting issues around overtime? You do not overspend on overtime, or do you? The management of the overtime budget.

Ian Percival (Finance Director, Metropolitan Police Service): We have previously overspent on overtime, the individual line, but we have managed that within the overall outturn position within the organisation. Last year, broadly, we underspent by about £12 million. Within that there was an overspend on overtime, but it was managed from underspends elsewhere. Does that answer the question?

Len Duvall AM (Deputy Chair): Yes. What is the thinking over the next couple of years, then, about it?

Ian Percival (Finance Director, Metropolitan Police Service): Over the next couple of years our current plans will be that the overtime stays flat in our budget plan, but we are reassessing all of our line items in order for the November budget submission that we have to do to the Greater London Authority (GLA), and that is one of the things that are under consideration at the moment. Our current published plan has it flat.

Len Duvall AM (Deputy Chair): Are you setting it flat because you think that is your controlled target, then? It is not controlled. It is always going to get bigger. Operation meets financial accounting, and budgetary issues. How does it work? Surely – call me old-fashioned – you might increase it on the basis of, “This is what we hit this year. By next year, in our forward plan, we have X visits by dignitaries, X lot coming on”. You must increase it, or not.

Ian Percival (Finance Director, Metropolitan Police Service): We are revisiting it in the current planning work that we are doing at the moment. We are looking at it, and there are a number of factors to take into account. As I said, this year has been quite busy, and we do look at what is upcoming.

It is also, if I may, just worth making a point that within that overspend on overtime there is some money that we will claim back from the Home Office through special grants, and some of it is within the counter-terrorism protective security area, which will be managed within the overall counter-terrorism position. Whilst we present it gross, and that is a £30 million-odd overtime, there is to the tune of about £15 million or so that we hope would be claimed back.

Len Duvall AM (Deputy Chair): Thank you.

Gareth Bacon AM (Chairman): Looking forward, from an estimates point of view when you are doing a budgeting round, police officers and police pay in particular, how much do you estimate the cost of an average individual police officer?

Ian Percival (Finance Director, Metropolitan Police Service): The average police constable is around about £59,000.

Gareth Bacon AM (Chairman): OK. Recently, I think last week, the Chancellor made the pledge of 20,000 additional police officers across the country. I know what the MPS ask is – actually I’m asking you to contradict what the MPS ask is – but how many police officers are you expecting to come through from that?

Ian Percival (Finance Director, Metropolitan Police Service): The Commissioner has asked for 5,000 to 6,000 of that. Our working assumption at the moment is that that is what we will get. Therefore, our working assumption is 25% to 30% of the funding that is made available.

Gareth Bacon AM (Chairman): OK. How quickly do you think they will feed through?

Ian Percival (Finance Director, Metropolitan Police Service): It is difficult. Obviously, we cannot predict the future, but based on advice we are getting at the moment, as I say, the pipeline for our officers is healthy, so we are now seeing some recruitment. We have to be mindful that the recruitment is national. Therefore, at the moment, I think we are probably the only force recruiting at the level of the volumes that we are. Once this becomes national, all forces will be recruiting, so inevitably there will be lots of people trying to recruit police officers. We are confident that we will do everything we can and the best we can to secure 5,000 to 6,000 officers of the overall allocation.

Gareth Bacon AM (Chairman): How easy does the MPS find it to recruit? My background is that I used to chair the Fire Authority. Every time the Fire Brigade went out to recruit, they would be vastly oversubscribed. We might be looking at, say, 300 new firefighters, and they would get something like 9,000 applicants. Nine times out of ten, they would fill every position. For the MPS, do you get a very large supply of people? Is it a popular job that people want to do, or is it more challenging?

Ian Percival (Finance Director, Metropolitan Police Service): It is not an area that I am an expert on, I have to say, but based on the advice or the information that we have been given at the moment, we are finding lots of people wanting to join. Our applications are higher than they have been for some time, and our pipeline of recruits is sufficient to give us the numbers that we have budgeted for over the next few months, which would suggest that it is a job that people are wanting to do now.

Gareth Bacon AM (Chairman): The MPS on its own makes up around about a quarter of the United Kingdom's (UK) policing establishment, doesn't it? If you apply that ratio strictly, then the 5,000 out of the 20,000 is a perfectly reasonable ask. The key, though, and for us on this side of the table particularly, is recruiting these people as quickly as possible so they can make a difference in the city as quickly as possible. How much do you know about how the MPS would change the recruitment strategy to make that happen? You have suggested that there will be 700 police officers net recruited between now and the end of the year, so three months. It would have to increase quite a bit, wouldn't it - this is over and above people leaving for retirement and other reasons - in order to get that that throughput as quickly as possible. Is that fair?

Ian Percival (Finance Director, Metropolitan Police Service): Yes.

Gareth Bacon AM (Chairman): However, you are not the right person to ask. It is something we can ask a bit later on, I think, with other colleagues. The Government has released £750 million this year, which, on the costing that you have just suggested, would equate to around about 12,500 police officers of the 20,000 that they have talked about, so a fair chunk. If that money is not time-limited, they [the recruitment of police officers] can be spread over time, but if it has to be done within this financial year, then that implies that that needs to be spent and the new recruits need to be in place by the end of the financial year, doesn't it?

Ian Percival (Finance Director, Metropolitan Police Service): Sorry. I may have misheard you. The Government has allocated £45 million this year and then £750 million next year. Our aim, subject to when we get the details, is that about 500 of those will come to the MPS.

Gareth Bacon AM (Chairman): OK. No, that is fine. That is what I was going to, so that is quite helpful. Where do you expect to place them? Would they be randomly assigned? Are they going to be assigned to specific parts of London? Again, is this a question that is not directly --

Ian Percival (Finance Director, Metropolitan Police Service): I am afraid it is not. It is not, and it would be for the Board --

Gareth Bacon AM (Chairman): OK. This is going to be a Police and Crime Committee type of question.

I will ask the final question and then I will pass over to Assembly Member [Jennette] Arnold [OBE]. What number of officers are you expecting to be using for your next budget and the business plan for 2022/23?

Ian Percival (Finance Director, Metropolitan Police Service): If I can, before we get into the additional growth that has just been announced, our working assumption was that we maintained 31,000 police officers for the next couple of years. We now need to make some assumptions about the additional funding. The Government announcement said that by the end of March 2021 there will be up to 20,000 officers recruited nationally. To repeat myself, the Commissioner has asked for 5,000 to 6,000 of that, so we will be working on the assumption of between 25% and 30% of those as our planning assumption, and we will state clearly in our budget what the assumptions are. That would be our planning assumption.

Gareth Bacon AM (Chairman): It is fair to say probably around about 32,500?

Ian Percival (Finance Director, Metropolitan Police Service): Yes, the maths would suggest that, by the end of the year.

Gareth Bacon AM (Chairman): OK. Assembly Member Arnold [OBE]

Jennette Arnold OBE AM: Thanks, Chairman. Just confirm for me, when we talk about the 31,000 officers, is that inclusive of constables, special units, all the way, including the Commissioner?

Ian Percival (Finance Director, Metropolitan Police Service): Yes.

Jennette Arnold OBE AM: At the end it would be across all ranks, the 31,000?

Ian Percival (Finance Director, Metropolitan Police Service): Yes.

Jennette Arnold OBE AM: The vacancies that you are talking about filling, then, and recruiting into, is it just constable vacancies?

Ian Percival (Finance Director, Metropolitan Police Service): Initially, obviously, the recruits are constables, but there will be vacancies across the ranks. Once we bring people in as constables, there will be promotions that follow that.

Jennette Arnold OBE AM: Yes. I am just trying to understand your projections. You talked about the cost of a constable at £59,000.

Ian Percival (Finance Director, Metropolitan Police Service): That is the average cost, yes.

Jennette Arnold OBE AM: That is just salary, isn't it?

Ian Percival (Finance Director, Metropolitan Police Service): That would be the salary and the associated pension, London allowances and National Insurance contributions.

Jennette Arnold OBE AM: They come now, with all their kit and all of that. Is that also within that £59,000?

Ian Percival (Finance Director, Metropolitan Police Service): That is not within the £59,000. That is just salary-related on costs.

Jennette Arnold OBE AM: Salary and associated stuff. In the budget, you then have the resource to add to the amount of money you are getting to recruit at that basic level. Do you see what I mean? All the additional costs, then. Where is that money coming from?

Ian Percival (Finance Director, Metropolitan Police Service): I have to say it all has to be caveated with detail to be worked through. But, with the additional money that we are getting to support the growth, there has been some allowance made for the additional costs associated with officers; for example, for kit and uniform, etc. There is some provision within the allocation for that.

Jennette Arnold OBE AM: What about promotions in the system? Constables by themselves: that is not how the force is made up. You talked about sergeants and others. Where do you find that additional money

if, say, you have to find an extra 100 sergeants in order to give proper supervision to the new recruits? Where would you find that money?

Ian Percival (Finance Director, Metropolitan Police Service): We will work that through with the additional sums of money that are given to us for the growth. There is some allowance in the additional funding that we get for some supervisory levels within the additional money, and we just have to do that modelling, which we --

Jennette Arnold OBE AM: That would be part of the extra, say, £45 million from Government?

Ian Percival (Finance Director, Metropolitan Police Service): Yes.

Jennette Arnold OBE AM: You are not able, are you, through your current financial state to find that within the service because - we will go on to it later - you are barely able to meet the savings now that are required of you?

Ian Percival (Finance Director, Metropolitan Police Service): I think the savings and the officer salary and increments are separate things. When we talk about the average cost, there are a huge range of costs within our police pay budget, and there is of course churn. 31,000 officers: there is huge variation and huge sensitivity to the average. As people get promoted and as people move up, to my other point, we also have retirees. People, if they are at the top of their grade, retire, and then people come in at a lower salary at the start, so there is quite a lot of churn in an almost £1.9 billion budget. We manage to budget for those increments. We do work that through our modelling. That in itself is not a pressure to us.

Jennette Arnold OBE AM: OK. Thank you.

Gareth Bacon AM (Chairman): Just to clarify, that single point is an important one. The £60,000 average encompasses all ranks, doesn't it?

Ian Percival (Finance Director, Metropolitan Police Service): Yes.

Gareth Bacon AM (Chairman): The cost of a newly-minted police constable fresh out of Hendon will not be £60,000, will it? It will be a lot lower than that. The £60,000 also pays for the people at the more senior ranks. Across the piece, £60,000 is the average cost per individual, but not the actual cost per individual.

Ian Percival (Finance Director, Metropolitan Police Service): Yes. Let me check just one thing, please. The £60,000 is the average cost of a constable. I will just confirm that, but you are absolutely correct. Somebody new, straight in, is not going to cost us £60,000. That would be a lower figure.

Gareth Bacon AM (Chairman): OK. Just one final clarification question from me before we move on, and Assembly Member [Len] Duvall is going to take the pit in a minute. The cost of the kit: is that a revenue or capital cost?

Ian Percival (Finance Director, Metropolitan Police Service): It is a mixture. It will depend what the kit is. Some of it will be capital. Some of our information technology (IT) is capital, and some of it is revenue cost, like uniform, for example.

Gareth Bacon AM (Chairman): Uniform would be revenue, but things like radios may be capital?

Ian Percival (Finance Director, Metropolitan Police Service): Yes.

Gareth Bacon AM (Chairman): It might be revenue in handcuffs and other hardware --

Ian Percival (Finance Director, Metropolitan Police Service): Yes, basically.

Jennette Arnold OBE AM: Sorry. Chair, can I just come back? Did you say the London allowance was also included?

Ian Percival (Finance Director, Metropolitan Police Service): The London allowance was in those average salary figures that I was quoting, yes.

Jennette Arnold OBE AM: Right. Yes, thank you.

Gareth Bacon AM (Chairman): We will have a bit of a chat about your budget gap, which is obviously significant, and you have been using reserves to plug it. Assembly Member Duvall is going to step in on this one.

Len Duvall AM (Deputy Chair): What will be the impact of the existing funding gap on the 2019/20 overspend?

Ian Percival (Finance Director, Metropolitan Police Service): If the overspend materialises at the end of the year and we did not take corrective action, it would be a circa £50 million reduction on the reserves. That would be the way that we would have to balance the books, but we are not anticipating that being the case.

Len Duvall AM (Deputy Chair): That is a deliberate policy, isn't it? For this year, your three-year strategy, it is about overspending, but you are going to take the corrective action. There is a deliberate policy about going into your reserves, using that to support your budget.

Ian Percival (Finance Director, Metropolitan Police Service): We took a view some time ago that we would use some reserves to support one-off initiatives, yes, but the reserves do not support the base budget. In fact, this year we are transferring money into reserves.

Len Duvall AM (Deputy Chair): How do the reserves then support your budget? If they do not support the base budget, what are they supporting in terms of running down the reserves?

Ian Percival (Finance Director, Metropolitan Police Service): For some of our one-off expenditure, like transformation or change-related activity, we would use reserves to support it.

Peter Lewis (Chief Finance Officer, Mayor's Office for Policing and Crime): May I contribute?

Len Duvall AM (Deputy Chair): You will have to speak up. Sorry, my hearing seems to be going. If you just raise your voices slightly.

Peter Lewis (Chief Finance Officer, Mayor's Office for Policing and Crime): Of course. Just to emphasise Ian's point, there is an addition to reserves during the year. To follow the line of questioning you had around police officer numbers and so on, there is a deliberate attempt to put money into reserves in order to continue the level of police numbers in future years. You will see from the report £118 million being

invested in reserves during 2019/20 to allow for the 31,000, the budgeted amount, to continue into the years beyond that. There is a deliberate policy of using reserves in that positive way as well.

Len Duvall AM (Deputy Chair): I am not questioning that. I think, just putting it back on record, that is a deliberate act and we have a strategy for the three years. The question is, at the end of that three years, what do we do? That is when that strategy comes to an end. Presumably, in year 2, you start thinking about what happens in years 4 and 5 and 6?

Peter Lewis (Chief Finance Officer, Mayor's Office for Policing and Crime): Yes, and certainly, in the current climate, predicting what the financial settlement for any public sector organisation is going to be beyond those years is very difficult. What has been put in place is practical, given the current financial arrangements. Clearly, now we know of the Government's intent to fund additional police officers, that will influence that strategy going forward, and perhaps an ongoing commitment, depending on the political environment, as to whether there is further investment in the public sector as a whole.

Len Duvall AM (Deputy Chair): Just going back, we are all working on the assumption that with the Government announcement, and in terms of our existing strategy, we are going to go beyond the 31,000 officers.

Peter Lewis (Chief Finance Officer, Mayor's Office for Policing and Crime): At the time the budget was set, the 31,000 was the budgeted amount, and that was being sustained. Clearly, now, we have new information that would suggest we will go significantly beyond the 31,000. The Mayor will be working with the MPS to make sure that happens.

Len Duvall AM (Deputy Chair): Maybe, Chairman, that is something we should follow up with the Plenary when we have the Commissioner about that policy announcement and those issues. Obviously, there are additional costs and it goes to the heart of the question of what the Chairman had said, where they are allocated, what they do, and where you put them – as the case may well be asked in that sense in terms of the estate.

Just tell us. I come from a traditional local government background. It is always about the use of reserves. I think it is quite right you use those to support your budget. Just remind us the strategy of the declining use of the reserves. I am not sure what the percentage is now of the level of reserves you have. If we continue with the planned strategy, they are going to be fairly low, but you think it is all manageable and containable. What is the percentage where you think you will be at the end of year 3?

Peter Lewis (Chief Finance Officer, Mayor's Office for Policing and Crime): The general reserve is around 2%. That is £46 million. That has been in place for quite a period of time and is intended to be in place. There are no plans to draw upon that. We draw upon advice, for example, from our external auditors, who commented that those reserves are at a relatively low level but not an inappropriate level; so we draw comfort from that. Clearly, we use our professional judgment to ensure that there is a sustainable level. At a time when funding is under significant pressure, as it has been for a number of years, to put money into reserves is a difficult issue to justify at a time that efficiencies and savings are being made elsewhere.

Len Duvall AM (Deputy Chair): OK. It is all predicated that you are making those savings elsewhere, isn't it?

Peter Lewis (Chief Finance Officer, Mayor's Office for Policing and Crime): Yes.

Len Duvall AM (Deputy Chair): I know any quarter 1 (Q1) represents just a little snapshot of where we are, but in your forecast of savings, how confident are you that you can deliver the savings required for the budgets 2020/21 and then on to 2022/23?

Peter Lewis (Chief Finance Officer, Mayor's Office for Policing and Crime): Clearly, the plan is still being formulated. There is an element of savings for those years that have been identified, and I think the track record of delivery of savings – £850 million over recent years – shows that the police have been successful in doing so. More effort needs to be made to deliver even more in the future. What we do not know is the impact of the announcement that we have just been talking about, the £750 million, and how that will affect the future requirement of savings. You will have seen in the medium-term plan, as was set previously, there were £50 million of savings not yet identified for the next financial year, and a further £50 million for the year afterwards. We will be revising over this autumn period the full medium-term financial strategy and taking account of the better information that we know.

Len Duvall AM (Deputy Chair): OK. We might need to return to that as well. You are essentially a people-based organisation, but even in good times of funding settlements for the MPS you have always still maintained a discipline of identifying the savings to reinvest in the service. Is that correct, or am I in some romantic era or MPS financing or MOPAC overseeing your predecessor body in the Metropolitan Police Authority (MPA)?

Peter Lewis (Chief Finance Officer, Mayor's Office for Policing and Crime): I will let Ian comment on the history because I have only been here a few weeks, but in terms of where things are at the moment in terms of MOPAC oversight of the arrangements, certainly there is a transformation programme that is funded and supported in the MPS in order to deliver the very savings that you have talked about: improvements in efficiency and improvement in service quality as well. That does continue and that continues to be scrutinised. I do not know if you want to comment on the history of that, Ian.

Ian Percival (Finance Director, Metropolitan Police Service): No. You are absolutely correct. We have always made savings, and we have always had just basic pressures in our budget – for example, inflation – that we have needed to manage because we do not get given extra money for that. We have had a history of always making savings. As Peter says, through the recent years, we have a history of delivering as well.

Len Duvall AM (Deputy Chair): OK. To do your jobs properly from your different aspects overseeing this budget, when do the politicians or the senior management team at the MPS have to take these decisions that start to impact either on the current three-year strategy or beyond? When are you looking for the policy decision to be made to enable you to plan to change course, which could be quite reasonable? When are you expecting those decisions to be made or told to you? When would you like them? Then we can talk about the reality of when they are likely to take place. What timescales do you need?

Peter Lewis (Chief Finance Officer, Mayor's Office for Policing and Crime): The work has particularly started in the MPS about developing the mechanics of the budget. We would expect that to be talked about amongst politicians and be informed to do that in late October, early November, when we start to gain that steer, when we understand the ingredients and so on. That all depends, of course, on knowing the detail of the financial settlement, and we are not sure when we will know the detail of the officer allocation and the funding allocation that goes with it. Of course, the overall local government settlement affecting police might not be known until early December, and that is at the time when there can be more meaningful discussions about the actual budget going forward.

Len Duvall AM (Deputy Chair): OK. Let's talk a little bit about the current assumptions on wage settlements across the business plan period. What assumptions are you working on?

Ian Percival (Finance Director, Metropolitan Police Service): 2% is our assumption each year for both officers and staff.

Len Duvall AM (Deputy Chair): That is what has happened in the past, is it?

Ian Percival (Finance Director, Metropolitan Police Service): This year, the officer rise was 2.5%. The police staff pay is still being negotiated. The officer rise was 2.5% this year.

Len Duvall AM (Deputy Chair): Let's wind forward. In 2021, if I understand some of your answers, can we expect a balanced budget and a full-funded business plan? Is that too ambitious, 2021?

Peter Lewis (Chief Finance Officer, Mayor's Office for Policing and Crime): The basic answer to the question is there has to be a balanced budget. We do not have any alternative but to present a balanced budget. As to whether or not that involves further efficiencies or savings or it has the potential for growth, we await to see the detail of the settlements coming forward. Clearly, that depends on the outcome of the current political situation and so on as well.

Len Duvall AM (Deputy Chair): OK. Thank you.

Gareth Bacon AM (Chairman): All right. Just a quick tidy-up from me in closing: just picking up on something that Assembly Member Duvall was asking about earlier on. Did I understand you to say that there are still £50 million of unidentified savings in each of the next two financial years? Is that correct?

Peter Lewis (Chief Finance Officer, Mayor's Office for Policing and Crime): That is what the medium-term strategy shows, yes.

Gareth Bacon AM (Chairman): OK. I did some back-of-a-fag-packet calculations while you were saying that. The £750 million for next year: if the MPS takes a quarter of that, bearing in mind what we were saying earlier on about the ratio, that works out to £184 million, which on its own would pay for 2,233 police officers. I have rounded out to the £60,000 average. If you have not found the savings for £50 million, some of that money would be needed to use to plug that gap, wouldn't it?

Peter Lewis (Chief Finance Officer, Mayor's Office for Policing and Crime): The bit of information we have not talked about, Chairman, is that, as part of the information we have been given so far as part of the Home Office announcement, they have confirmed that the support for the pensions liability, which was a complication in setting this year's budget and one-off funding was given, will be continuing. All other things being equal, that would address that £50 million gap. As I say, all other things being equal, there will be other things that will have changed both positively and negatively over that time. We hope that the benefit of the £750 million will be all in a positive direction, but, again, we wait to see the details of that.

Gareth Bacon AM (Chairman): Sure. What I was going to ask you was whether that money is being ring-fenced specifically to provide police officers or whether it allows forces - I was going to say police services - the discretion to spend it, in this case to plug the funding gap and then use the rest of the money on police officers, or whether it all has to be spent on police officers?

Peter Lewis (Chief Finance Officer, Mayor's Office for Policing and Crime): We do not know the rules from the Home Office yet as to whether or not it is ring-fenced from there, but I am sure from the Mayor's point of view we will be wishing to make sure that as many officers as possible are recruited.

Gareth Bacon AM (Chairman): Yes. That is not quite reassurance, but I take your point that it is a bit early because the Government has not told you what the rules are yet.

Peter Lewis (Chief Finance Officer, Mayor's Office for Policing and Crime): No.

Gareth Bacon AM (Chairman): OK. All right. I think that is it from me, in which case we have come to the end of our session, quite a brief one. Thank you very, very much, gentlemen, for attending and your answers. There may be one or two slightly follow-up points that we want to pick up with you in writing if anything occurs to us afterwards. Thank you both very much.