

REQUEST FOR DMPC DECISION – DMPCD 2014 121

Title: MOPAC Budget Monitoring and Budget & Reserves Movements – Period 5

Executive Summary:

This paper summarises the period 5 financial monitoring and requests the DMPC approve 6 budget movements and 6 transfers to/from reserves.

Recommendation:

The DMPC is asked to

1. Note the period 5 financial monitoring position, and
2. Approve the 6 budget movements as set out in paragraph 2.3, and
3. Approve the 6 reserve transfers as set out in paragraph 2.4

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

Date

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 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.

2 Issues for consideration

- 2.1 Appendix 1 sets out the period 5 financial monitoring position. In summary, the revenue forecast estimates that there are net cost pressures of £32.5m, a reduction of £6.4m against last month. This is mainly due to pressures within the following budgets:
 - Police Staff Pay £9.2m
 - Police Officer Overtime £3.3m
 - Premises Costs £9.3m
 - Supplies & Services £12.2m
 - Specific Grant £4.3m
 - Other net minor variances £0.6m

These are offset by forecast savings in regard to PCSO pay of £6.4m

- 2.2 The forecast outturn for capital expenditure is £226.9m, a reduction of £47.9m on the £274.8m reported last month, and compared to the Capital Programme budget of £368.2m
- 2.3 There are 6 proposed budget movements in excess of £500,000 this month requiring DMPC approval.
 - The transfer of £2,554k Police Officer Pay and £2,554k Specific Grant income from Specialist Operations to Specialist Crime and Operations as part of the Met Change Armed Response Vehicle project.
 - The transfer of £409,272k Police Staff Pay budget from Centrally Held to the various business groups to reflect the agreed devolvement of this budget.

Business Group	Amount £000s
Territorial Policing	£83,048
Specialist Crime & Operations	£161,950
Shared Support Services	£81,926
Met HQ	£82,348
Total Police Staff Pay Budget	£409,272

- Increase both Supplies & Services budget in Centrally Held and Other Income budget in Neighbourhood Policing by £2,100k to reflect MOPAC funding for the Drug Intervention Programme testing of detainees with trigger offences.
- Increase both spend budget and grant income budget by £3,054k in relation to funding from the Ministry of Justice Victims Commissioning Preparatory Grant
- Increase both spend budget and grant income budget by £2,360k in relation to funding from the Ministry of Justice Victims Commissioning Competed Grant
- Transfer £640k within MOPAC to reflect additional Rape Crisis Centre funding reflecting agreed LCPF funding

2.4 There are 6 proposed transfers to/from reserves this month as detailed below:

- A drawdown of £293k from the Communications Project (NTL compensation) reserve to fund legacy Airwave and C3I projects.
- A drawdown of £259k from the Major Change Fund reserve to fund various projects that form part of the Met Change programme.
- A drawdown of £102k from the Transforming HR reserve to fund the upgrade of the THR Oracle software to allow patches and continued IT support.
- A drawdown of £43k from the Partnerships and Sponsorship reserve to fund various partnership initiatives within Neighbourhood Policing.
- A transfer of £3k to the Projects reserve in regard to a refund relating to the One Billion Rising initiative.
- A transfer of £1.5m to MOPAC reserve to provide for future budget pressures and to secure funding and meet commitments for future agreed Police and Crime Plan priorities in relation to addressing the London crime agenda.

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 Appendix 1 MOPAC budget monitoring

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of **this** form to be deferred? NO

If yes, for what reason:

Until what date (if known):

Is there a **part 2** form –NO

If yes, for what reason:

ORIGINATING OFFICER DECLARATION:

	<i>Tick to confirm statement (✓)</i>
Head of Unit: Alex Anderson 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 Chief Finance Officer has been consulted on this proposal.	✓
Equalities Advice: Equality and diversity issues are covered in the body of the report.	✓

OFFICER APPROVAL**Chief Operating 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

Date