

MOPAC MPS Oversight Board

12 March 2021

Quarter 3 Performance and Financial Position

Report by: Head of Governance and Risk and MOPAC Chief Finance Officer

1. Performance

- 1.1. COVID 19 continues to impact on recorded crime with decreases continuing into Q3 2020/21, when compared to the previous quarter. Offences continue to be below pre-COVID levels.
- 1.2. Overall Satisfaction with service is at 67% for Q3 20-21 from the User Satisfaction Survey (USS). Overall Satisfaction with service taken from the Telephone and Digital Investigation Unit (TDIU) is 48% for telephone reporters and 42% for online reporters, a decline from Q2.
- 1.3. Since the end of FY 2016-17 there has been a reduction across the core public perception measures, which began to stabilise in FY 2019-20.
- 1.4. Results for FYTD 20-21 show mixed progress: although uplifts are seen across measures of police communication and engagement, results for other measures (including good job local) have returned to downwards trajectories.

2. MOPAC Group Financial Outturn Position

- 2.1. The forecast year end net revenue position is a balanced budget.
- 2.2. The detail of the revenue outturn and variances against budget are reported as part of the Quarterly Monitoring Report and the Quarter 3 report to be published 18th February 2021.
- 2.3. The key variances to be noted for the revenue outturn are as follows:

Expenditure (total underspend of £27.7m)

- o Police Officer pay and overtime – overspend of £30.74m
- o Staff pay and overtime – overspend of £3.7m

- o Running expenses – underspend of £50.1m

Income (total underachievement of £27.7)

- o Income – under achievement of £27.7m

- 2.4. Compared to Q2, there has been an increase of £5.5m in the variance between Outturn and Budget for Pay and Overtime, where the total pay and overtime variance is now an overspend of £34.4m compared to an overspend of £28.9m at Q2. This movement was largely due to Police Officer Overtime (£17.5m). £2.1m of this is externally funded, £4.8m is related to the MET's activities in response to Covid. The remaining amount is made up of a combination of high levels staff off sick or self-isolating, covering of staff vacancies and demand pressures.
- 2.5. The overspend on pay and overtime is offset by an underspend of £50.1m on running expenses, which is a slight increase on the £47.3m underspend at Q2. The underspend is predominately within supplies and services expenditure where some investments have been paused (£7.1m for the Data Office, a further £5.2m growth funding in Digital Policing) and where some Covid-19 related expenditure has been offset by reserves drawdown.
- 2.6. The resulting gross expenditure forecast underspend of £27.7m needs to be set against £20.4m under-recovery of Other Income. The majority of this is due to lower operating costs (mainly vacancies) in externally funded areas (£17m) which results in reduced receipts – predominantly £7.8m from TfL for funded officer roles and £9m in Aviation Policing (due to Covid). In addition, Covid-19 has also led to lower than anticipated receipts in assorted areas, including vehicle recovery and sporting income.
- 2.7. After taking into account income and grants, the forecast net expenditure outturn is in line with the net budget. The overall forecast of no net variance has remained unchanged. There have been minor overall movements since Q2 and increases in net underspends have enabled an additional £19.3m to be transferred into reserves.

Capital

- 2.8. Whilst all MOPAC assets owned are held within MOPAC, the capital programme is undertaken by the MPS. A summary of the forecast capital outturn position is below:
- 2.9. Table 1: Capital Forecast Outturn 2020/21

Capital Programme	Budget (£m)	Actual to Date (£m)	Forecast Outturn (£m)	Variance (£m)
Property Services	137.9	107.6	137.9	0.0
NCTPHQ	24.9	9.4	28.7	3.8
Fleet	31.2	17.6	31.2	0.0
Digital Polcing	32.7	21.7	32.7	0.0
Met Ops	3.3	1.4	3.3	0.0
Transformation	103.8	55.9	87.1	-16.7
Total Capital Expenditure	333.8	213.6	320.9	-12.9

- 2.10. The 2020/21 forecast outturn capital spend is £321m, of which £213.6m actual spend has occurred by the end of Q3 and a year-end forecast underspend of £12.9m. The underspend is primarily related to the realignment of project activities within Transformation
- 2.11. Both Transformation and CTPHQ have been impacted by Covid-19 and work in 2020/21 has been re-profiled or paused as a consequence.

Reserves

- 2.12. The £29.1m contribution from the Met comprises of £15.8m as per the current GLA guidance and an additional £13.3m as a result of direct management action in 20/21 to manage the future gaps. MOPAC also contributed an additional £7.5m as per the GLA guidance.

3. Appendices

Appendix 1: MOPAC Quarterly Performance Update Q3 2020/21
https://www.london.gov.uk/sites/default/files/mopac_q3_2020-21_monitoring.pdf