

MOPAC

MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME



MOPAC MPS Oversight Board

23 September 2020

Quarter 1 Performance Report and Financial Position

Report by: MOPAC Director of Strategy and Chief Financial Officer

1. Performance

- 1.1. In Quarter 1 2020/21 all strands of hate crime, bar those crimes related to disability, increased. The largest increase being in Racist and Religious hate crime (20.5%).
- 1.2. On the monthly level, racist and religious hate crime in June 2020 exceeded the previous peak recorded in July 2016 (following the EU referendum).
- 1.3. Sexual offences recorded in quarter 1 were 25% lower than the same quarter in 2019/20. On the monthly level there has been an increase of 55% in June 2020 when compared to the very low level recorded in April 2020.
- 1.4. Domestic abuse increased by 9% this quarter, in comparison to reductions across many crime types. Domestic abuse violence with injury increased by 4%.
- 1.5. In Q1 2020/21 Stop and Searches increased by 40% compared to the preceding quarter and 59% compared to Q1 in 2019/20. Increases have been largely driven by Drugs related Stop and Search, which in Q1 2020/21 accounted for 69% of all Stop and Search. In this quarter, Drugs related Stop and Search is 93% higher than the same quarter in the previous year.

2. Finance

2.1. Revenue

The key variances to be noted for the revenue outturn are as follows:

2.2. Expenditure (net underspend of £(0.1)m)

- Police Officer pay and overtime – overspend of £29.8m
- Staff pay and overtime – overspend of £22.4m
- Running expenses – underspend of £(49.8)m
- Income – under achievement of £19.2m

2.3. The overspend on police officer pay is largely due to the increased officer numbers. At the end of June 2020 there were 32,567 FTE police officers in post against a funded target of 31,890, this is 677 more officers than originally budgeted. Whilst the MPS is currently forecasting a c£10m overspend, plans are currently being worked through to ensure that this overspend is reversed by the end of the year. Forecasts will be amended when the plans have been reviewed for robustness.

2.4. Police officer overtime is forecasting a c£19m overspend. Around £9m of this is related to overtime incurred in connection with Covid. The forecasts currently assume that there will be no future increases in overtime in this connection, but should there be a second wave of the pandemic then this could change. The remainder of the overtime overspend is under intense scrutiny by the MPS.

2.5. Of the staff pay overspend approximately half is offset by a corresponding underspend in the running expenses budget and the appropriate budget realignment will be addressed in the next quarter. The remaining overspend is under review with a view to bringing the overall police pay position within budget.

2.6. The running expenses underspend is predominantly the result of the pausing of investment in a number of areas until funding is confirmed for additional Covid-19 expenditure and mitigating actions bring the forecast expenditure to budget.

2.7. There is an expected under recovery of income and grants of £19.2m. Key drivers are £26.5m lower income and grants for externally funded units being offset by a reimbursement of £9m for COVID related purchases of PPE.

2.8. The key risks to flag are:

- The impact of COVID, particularly considerations regarding a second wave.
- In year management of the current revenue forecast underspend of £19.1m

2.9. *Capital*

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:

2.10. Table 1: Capital Forecast Outturn 2020/21

Capital Programme	Budget (£m)	Actual to Date (£m)	Forecast Outturn (£m)	Variance (£m)
Property Services	201.6	35.8	141.6	-60.0
NCTPHQ	33.0	1.6	32.8	-0.2
Fleet	28.4	4.0	28.4	0.0
Digital Polcing	32.7	5.5	32.7	0.0
Met Ops	3.3	0.1	3.3	0.0
Transformation	115.7	24.6	110.0	-5.7
Total Capital Expenditure	414.7	71.6	348.8	-65.9

2.11. The forecast underspends on the capital programme are primarily within the Property Services programme and mainly due to a need to reprofile refurbishment budgets, paused capital activity in order to finalise the assessment of the impact on the property estate of Police Officer uplift and delay in delivery of schemes due to Covid-19.

2.12. *Reserves*

The published GLA 2020/21 Budget for the MPS earmarked reserves amounted to £38.6m. At Q1 there is a £27.6m reduction in the use of these reserves to a value of £11m. The most significant budget reductions are £18.5m for the re-evaluation of Property Services reserves and £8.1m for the re-assessment of the Supporting One Met Model (OMM) reserve. Appendix 3 of this report provides a detailed analysis of the changes which form part of the overall £27.6m reduction.

2.13. MPS General Reserve balance remains unchanged at £46.6m.

Appendix – the Q1 Performance and Financial Report is available [here](#).