

DMPC DECISION – PCD 1247

Title: MOPAC and MPS Outturn Position 2021/22 and MOPAC 2022-23 Revised Budget

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000 (FOIA). In the event of a FOIA request for information contained in this report, please consult the Head of Governance and Risk for advice.

Executive Summary:

The report sets out the draft 2021/22 outturn position for MOPAC and the MPS. Subject to audit, MOPAC and MPS reported an underspend of £30.9m of which £2.6m relates to MOPAC and the VRU and £28.3m to the MPS.

The report sets out the capital out-turn for the year with a reported underspend of £24.6m against a revised budget of £271.8m. The outturn position is largely driven by a £20.2m underspend in Transformation and a £10m underspend in Digital Policing offset by an overspend in Property Services (£5.3m).

Since the MOPAC budget was approved in February 2023, some additional grants have been received and some assumptions included in the original budget submission need to be updated to reflect the actual values now that grant notification letters have been received. This report sets out the revised changes and proposes a revised 2022/23 budget for MOPAC that takes account of these and the carry forward amounts. Formal approval from the DMPC is requested.

In total, the proposed budget changes for MOPAC total £22m, increasing gross expenditure to £131.7m. These additional costs are funded through a combination of additional grant totalling £9.8m, the application of carry forward monies and £2.5m of bids from the MOPAC budget resilience reserve, partly offset by a transfer to reserves of £0.2m reflecting a reduction in budget required for 2022/23.

Incorporated in the report are requests to utilise MOPAC reserves to fund priorities linked to the Police and Crime Plan. A new protocol for the overall management of reserves is set out in the report for approval and will be implemented for the 2022/23 financial year.

This report sets out proposals to:

- Note the draft 2021/22 outturn of £30.9m underspend
- Note the capital programme 2021/22 underspend of £24.6m
- Approve the transfer of the £30.9m underspend to earmarked reserves within MOPAC and the MPS to provide future budget resilience
- Approve the transfers to reserves as set out in the report and note that overall earmarked reserves have increased from £504.4m to £511.5m.
- Approve the use of MOPAC reserves to meet priorities and outcomes to be delivered during the year.
- Approve the revised MOPAC 2022/23 budget to take account of the carry forward requests, use of reserves and additional funding that has been received since the budget was set.

- Approve the proposed reserves protocol

Recommendation:

The Deputy Mayor for Policing and Crime is asked to:

1. Note the draft outturn position for MOPAC/MPS is an underspend of £30.9m of which £2.6m relates to MOPAC and £28.3m to the MPS and note that this is subject to audit.
2. Approve the transfer of £7.3m to earmarked reserves to fund MOPAC project expenditure that has been reprofiled into future years and;
3. Approve the net transfer to reserves to MPS earmarked reserves totalling £60.3M as follows:
 - £12.1m to fund project expenditure that has been reprofiled into future years
 - £27.1m to fund 2022/23 emerging pressures
 - £21.1m (net changes) to other specific earmarked reserves
4. Approve the transfer of the MPS underspend (£28.3m) to the MPS Managing the budget Reserve.
5. Approve the transfer of the MOPAC underspend (£2.6m) to the MOPAC resilience reserve.
6. Note the capital programme underspend for 2021/22 of £24.6m
7. Approve the revised 2022/23 budget for MOPAC as set out in the report, noting the increase in gross expenditure of £22m is funded through a combination of additional grant income and transfer from reserves.
8. Approve the reserves protocol and that this be applied to MOPAC reserves in 2022/23 and future years.

Deputy Mayor for Policing and Crime

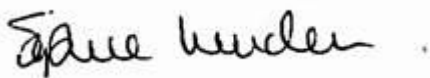
I confirm that I have considered whether I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature:

Date

26/08/2022



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

Decision required – supporting report

1. Revenue Budget Draft Outturn 2021/22

- 1.1. As at the end of the financial year 2021/22, MOPAC/MPS reported an underspend of £30.9m against their final revenue budget, of which £2.6m relates to MOPAC and the VRU and £28.3m to the MPS.
- 1.2. The draft outturn position of a £2.6m underspend for MOPAC and the VRU was mainly driven by underspends in supplies and services within MOPAC. Carry forward of budgets totalling £10.5m have been reflected in the outturn position of which £3.2m has previously been approved. Approval of the remaining £7.3m is requested. Approval to transfer the £2.6m underspend to the MOPAC budget resilience reserve to manage future budget pressures and priorities is also requested.
- 1.3. The draft outturn position within the MPS of £28.3m was driven by a combination of lower than expected recruitment, slippage in supplies and services and reduced spend in certain areas and includes requests to transfer:
 - £12.1m to fund project expenditure that has been reprofiled into future years
 - £27.1m to fund 2022/23 emerging pressures
 - £21.1m (net changes) to other specific earmarked reserves

Further detail is provided in Appendix One and DMPC approval for these is sought.

- 1.4. The underlying £28.3m underspend is recommended to be transferred to the MPS managing the budget earmarked reserve. Subject to the approval of the DMPC, earmarked reserves will increase from £504.4m at the end of 2020/21 to £511.5m at the end of 2021/22 of which £21.3m of the increase relates to MPS related reserves offset by a reduction in MOPAC related reserves of £14.2m.

Capital Draft Outturn 2021/22

- 1.5. As at the end of 2021/22 the outturn position for capital is £247.2m. This represents an underspend of £24.6m against a revised budget of £271.8m. The outturn position is largely driven by a £20.2m underspend in Transformation and a £10m underspend in Digital Policing offset by an overspend of £5.3m on Property Services.
- 1.6. Further detail of the revenue, capital draft outturn position including reserves for 2021/22 can be found at Appendix Two.

2. MOPAC Budget 2022/23

- 2.1. In February 2022, MOPAC and the VRU's 2022/23 budget was set at £64.5m comprising of a £109.7m expenditure budget and a £45.2m income budget (including a £17.7m transfer from reserves). The budget was subsequently updated to reflect previously approved carry forwards totalling £2.5m, and additional grant funding totalling £9.8m. This report now seeks approval to make further changes to the approved budget following finalisation of the draft outturn position.

- 2.2. Approval is now being sought to carry forward additional funds totalling £7.3m to enable the continuation of projects into future years. A summary of the requests per Directorate is set out in the table below. A detailed breakdown of the proposed carry forwards is attached at Appendix 3.

Table One: Summary of Carry Forward requests by Directorate

	Carry Forward Requests £m
DARA	0.06
Strategy	1.58
Commissioning & Partnerships	4.53
Corporate Services	0.03
HR & Private Office	0.00
VRU	1.13
Total	7.33

- 2.3. Subject to approval, the MOPAC underspend of £2.6m has been transferred to the budget resilience reserve. In recognition of some current and emerging pressures and priorities, bids from Directorates have been received. In order to evaluate and prioritise bids, the following framework was applied:
- Supported one-off costs and NOT recurring costs
 - Contributed to the outcomes of the Police and Crime Plan and/or VRU Strategic Outcomes
 - Provided pump priming to support the delivery of ongoing efficiencies in future years
 - Provided Pump priming to support MOPAC workplace transformation
 - Provides budget resilience or budget smoothing in line with anticipated reduction in funding
 - Needed to be spent within the agreed timeframe
- 2.4. Following a detailed review by the MOPAC Board, approval is being sought to approve bids totalling £3.415m. This included bids for multi-year funding totalling £0.953m that relates to projects that will be delivered in future years and where funding is tapering. A summary of the requests, aligned to the Police and Crime Plan, is set out in the table below. A detailed breakdown of the bids is attached at Appendix Three.

Table Two: Summary of Bids from Reserves to Support Police and Crime Plan Priorities

	2022/23	2023/24	2024/25	TOTAL
Police and Crime Plan Priority	£m	£m	£m	£m
Protecting People from Exploitation and Harm	0.055	0.000	0.000	0.055
Increasing Trust and Confidence	0.514	0.000	0.000	0.514
Reducing and Preventing Violence	1.080	0.450	0.450	1.980
Better Supporting Victims	0.813	0.053	0.000	0.866
TOTAL REQUESTS	2.462	0.503	0.450	3.415

- 2.5. The revised budget incorporating all the changes is set out in table Three below. As compared to the original budget approved in February, expenditure has now increased from £109.7m to £131.7m. The increase is met through a combination of additional grant totalling £9.8m, the application of carry forward monies and £2.5m of bids from the MOPAC budget resilience reserve, partly offset by a transfer to reserves of £0.2m reflecting a reduction in budget required for 2022/23.

Table Three: MOPAC Revised Budget 2022/23

	Original Budget £m	Revised Budget £m	Variance £m
MOPAC Staff Pay	15.20	15.48	0.28
Employee Related Expenditure	0.21	0.24	0.02
Premises Costs	0.88	0.88	0.00
Transport Costs	0.00	0.00	0.00
Supplies & Services	93.41	115.13	21.72
Total Expenditure	109.70	131.73	22.03
Other Income	-5.22	-5.22	0.00
Specific Grants	-22.30	-32.11	-9.80
Total Income	-27.52	-37.33	-9.80
Total excluding Reserves	82.18	94.40	12.22
Transfer to reserves	0.00	0.18	0.18
Transfer from reserves	-17.65	-30.04	-12.40
Transfers to/(from)Reserves	-17.65	-29.87	-12.22
Net Expenditure	64.53	64.53	0.00

- 2.6. Further detail of the grant income is set out in the table below

Table Four: Detailed Breakdown of MOPAC Grant Income

Title	£m	Provider
MOJ Core Grant	11.8	MoJ
Transitions to Adulthood	1.0	MoJ
London VRU	7.0	Home Office
Youth Endowment Fund	2.5	Youth Endowment Fund
Total Grant Income as per Original Budget	22.3	
DA Perpetrator Funding	2.5	Home Office
Community Sentence Treatment Requirement	0.1	Home Office
Whole System Approach To Female Offending	1.0	MoJ
London VRU	5.7	Home Office
Domestic Abuse GLA DDA Funding	0.5	GLA
Additional Grant Income	9.8	
Total Grant Income as per Revised Budget	32.1	

- 2.7. In recognition of the increases in reserves, a reserves protocol has been developed and is recommended for approval. This is attached at Appendix Five. The protocol will be applied to all MOPAC related reserves in the 2022/23 financial year and will be considered for roll out to the MPS related reserves during the year. The protocol will ensure that there remains a focus throughout the year on reserves and that there are plans in place for these to be utilised and avoid the potential for reserves to be held unnecessarily.

3. Financial Comments

- 3.1. These are set out in the body of the report

4. Legal Comments

- 4.1. There are no direct legal implications arising from this proposal.
- 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. GDPR and Data Privacy

- 5.1. GDPR matters have been discussed with the Data Protection Officer, who has confirmed that no Data Protection Impact Assessment (DPIA) is required for this area of spend. However, the personal details of any individuals or organisations with whom contract is made for the purposes of the engagement will be managed in accordance with MOPAC's wider Privacy Notice.

6. Equality Comments

- 6.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 6.2. There are no equality and diversity implications arising from this report.

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:

	<i>Tick to confirm statement (2)</i>
Financial Advice: The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
Legal Advice: Legal advice is not required.	✓
Equalities Advice: Equality and diversity issues are covered in the body of the report.	✓
GDPR and Data Privacy <ul style="list-style-type: none"> GDPR compliance issues are covered in the body of the report. A DPIA is not required. 	✓
Head of Unit: The Head of Strategic Finance and Resource Management has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓

OFFICER APPROVAL**Chief Executive**

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 22/08/2022