

REQUEST FOR DMPC DECISION – PCD 1660

Title MOPAC/MPS Draft 2023/24 Outturn – unaudited statement of accounts

Executive Summary:

This report sets out the 2023/24 draft outturn for MOPAC and MPS as at 31 March 2024 based on the unaudited statement of accounts and is therefore the final financial monitoring report for the year. The report should be considered alongside the published quarterly monitoring report that also sets out key outcomes information.

In February 2023 the 2023/24 budget was set at £3,281.5m. Subsequent changes to the budget have been approved reflecting additional grant funding, other income and changes to the application of reserves. As at Quarter Four the revised budget remained at £3,281.5m.

The MOPAC and MPS outturn position is an underspend of £14.4m, MPS underspend of £12.8m and MOPAC £1.6m.

A revised budget for the Capital Programme of £335.6m was approved. The Capital Expenditure draft outturn for 2023/24 is £305.5m, an underspend of £30.2m against the revised budget.

The draft outturn position on reserves is also set out in the report and shows that earmarked reserves have reduced by £144.8m from an opening balance of £448.7m to £303.9m at the end of 2023/24. The reduction in reserves is £48.8m less than anticipated when the budget was set which assumed a total use of reserves of £193.6m due a number of reasons including reprofiling of projects into future financial years requiring funds to be carried forward from 2024/25 and changes in planned usage of reserves.

Total general reserves have increased by £20m and is made up of the MPS underspend of £12.8m and some technical adjustments relating to goods receipting for the 2022/23 and 2023/24 financial years. General reserves were £66.6m at the end of 2023/24.

Total reserves (earmarked and the general reserve) have reduced by £140.6m from an opening balance of £511.1m to a closing balance of £370.5m

Recommendation:

The Deputy Mayor for Policing and Crime is asked to:

1. Approve the revised budget for MOPAC/MPS as set out in the report, noting the increase in gross expenditure is funded through a combination of additional grant income, other income and changes to the application of reserves and that the net budget remains the same at £3,281.5m;
2. Note the draft outturn position for the MOPAC/MPS revenue budget is a £14.4m underspend;
3. Note the draft outturn position on the revised budget for the 2023/24 capital programme is a £30.2m underspend;

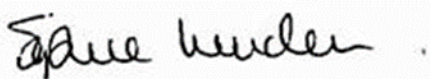
4. Approve budget virements with an individual value in excess of £0.5m including additional grant and income, a detailed breakdown is provided at Appendix One and Two;
5. Approve the net transfer from MPS earmarked reserves totalling £136.2m;
6. Approve the net transfer of £4.3m to the general reserve, which is driven by the MPS 2023/24 underspend of £12.8m less £8.6m of 2022/23 audit adjustments posted in 2023/24;
7. Approve the net transfer from MOPAC reserves of £8.6m, which includes Quarter Four carry forward requests of £2.7m and the transfer of MOPACs £1.6m underspend to MOPACs earmarked reserves;
8. Note the MPS as at the end of 2023/24 the MPS delivered £33.4m savings against an approved savings target of £61.4m.

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 23/09/2024

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

Decision required – supporting report

1. Revised MOPAC/MPS Revenue Budget 2023/24

- 1.1. In February 2023, the MOPAC/MPS 2023/24 revenue budget was set at £3,281.5m, comprising of a £4,533.0m expenditure budget and £1,251.6m income budget (this included a £193.6m transfer from reserves). Subsequent changes to the budget have been approved to reflect additional grant funding, other income and the application of reserves. The Quarter Four budget is unchanged from the £3,281.5m reported at Quarter Three, there have been updates to reflect additional grant funding and other income of £48.5m and a net reduction in the use of reserves of £56.7m.

MOPAC Budget

- 1.2. In February 2023 the MOPAC budget was set at £72.7m. Subsequent changes have been approved to reflect changes in grant funding, expenditure, reserves and additional funding for pay award. Net expenditure increased to at £72.8m.
- 1.3. At Quarter Four the MOPAC total expenditure budget is £141.8m and increase of £0.5m from the Quarter Three total expenditure of £141.3m, this is due to specific grant budget increasing from £42.5m at Quarter Three to £46.1m in Quarter Four, the net expenditure budget remained the same at £72.8m.
- 1.4. A summary of the budget virements from when the budget was original set to the Quarter Four budget is detailed within Appendix One, these changes and budget virements in excess of £0.5m are subject to DMPC approval. Details of the reserves are provided at Section Four and Appendix Three.

MPS Budget

- 1.5. In February 2023 the MPS budget was set at £3,208.9m. Subsequent changes have been approved to reflect additional grant funding, other income and the application of reserves the revised budget is a net expenditure of £3,208.8m.
- 1.6. At Quarter Four the budget has been updated to reflect additional grant funding and other income totalling £48.0m, a net reduction in the use of reserves of £56.7m and a reduction in total expenditure of £8.7m. The net expenditure budget at Quarter Four remains unchanged at £3,208.8m. These changes and a number of budget virements in excess of £0.5m are subject to DMPC approval. Further detail of the budget virements is provided at Appendix Two, with detail of the reserves provided at Section Four and Appendix Four.

2. MOPAC/MPS Revenue Budget 2023/24

- 2.1. The MOPAC and MPS draft outturn position is an underspend of £14.4m against the revised budget of £3,281.5m. MPS finished the year with 34,017 officers, c40 FTEs more than assumed in the Quarter Three forecast and slightly above the 34,000 FTE expected for 2024/25 opening position.

MOPAC Budget

2.2. MOPAC's draft outturn position is an underspend of £1.6m and is in line with the Quarter Three forecast underspend of £1.6m. The underspend is largely due variances within:

- Staff pay overspend of £2.3m due to pay awards exceeding budgeted assumptions and additional posts for maternity and sickness cover. The budget included a 10% vacancy factor for non-project related posts;
- Commissioning services underspend of £11.4m is offset by carry forward requests of £2.7m. The remaining underspend is mainly due to delayed mobilisation for some new services due to partner mobilisation delays, pilots that did not require the estimated funding levels and recruitment issues in some service areas;
- Supplies and services underspend of £2.4m, this is largely due to a credit of £2.7m through reversing of aged goods receipts charges which are no longer assessed to be required;
- Other income is over achieved by £0.7m due to unbudgeted audit grant income and income from GLA for Hate Crime;
- Specific Grants received was £2.0m less than budgeted mainly due to the VRU Your Choice programme, the grant income and expenditure will now be extended to cover 2023/24 and 2024/25;
- Reserves adverse variance of £8.6m (assumes Q4 carry forwards are approved), of which £2.3m budgeted use of reserves to support the MOPAC budget and £1.3m for VRU drawdowns was not required largely due to the credits from goods receipting reversals. The remaining variance are due to underspends within commissioning services which were assumed to be reserve funded.

2.3. The draft outturn position includes the carry forward of funds totalling £2.7m for Quarter Four for projects that will now be delivered in future years, of which £1.0m are within the Strategy and MPS Oversight Directorate and £1.7m within Commissioning and Partnership.

2.4. The £1.6m underspend will be transferred to earmarked reserves to manage future budget pressures, of which £0.6m relates to MOPAC and £1.0m VRU.

MPS Budget

2.5. The main variances in the MPS draft out-turn position are set out below:-

- Police Officer Pay - an overspend of £32.5m relating to a year end officer workforce of 34,017 FTE. This is driven by the new London allowance as part of the 2023/24 pay package, associated overspend in police pay (Bear Scotland allowance and ERNIC) as a result of overtime payments and additional officers in internally funded units compared to budget.
- Police Officer Overtime – an overspend of £11.5m due to due to capacity and capability gaps in Frontline and Ops and Performance.
- Police Staff Overtime – an overspend of £12.3m, the majority of which is in Ops and Performance due to increased demand in Met CC, Met Detention, Public Order and staff vacancies in Forensics.
- Running Costs – a £4.4m overspend due to operational demand (subsistence, driving courses, occupational health), transport (fuel, maintenance)
- Operation Brocks – a £16.2m overspend due to additional costs incurred in 2023/24 and relating to the policing of protests in London.
- Mayoral funding – a £23.6m underspend due to an underspend on PCSO pay, and includes £8.8m underspend on budgets made available to support New Met for London projects
- Capital Financing Costs – a £19.0m underspend reflecting the fact that planned revenue contributions to capital has been replaced by borrowing.

- Income - £16.3m greater than budgeted due to higher than anticipated interest rates (£15m investment income) and a £1.4m higher receipts from recovery of DWP Statutory Benefits.
- Income from Ops & Performance – £8.7m greater than budgeted and includes £2.4m in Met Detention (prison service income), a net £2.4m vehicle sales / disposal income surplus (VRES and Fleet), £1.5m in Met Prosecutions (NDOS and Court Income).
- DDaT – £1.3m underspend, due to additional recoveries of IT support costs from CTPHQ
- Home Office grant – unanticipated grant income of £20.8m - MPS received £16.2m Special Grant in relation to Operation Brocks and a S31 grant to fund £4.6m software licences costs incurred in 2023/24.

2.6. For 2023/24 the MPS had an approved saving target of £61.4m. Of this, £33.4m of savings were delivered as planned and £28.1m of identified savings were not delivered and have been reversed from the 2024/25 budget setting.

3. Capital Budget 2023/24

3.1. The draft capital outturn position is an underspend of £30.2m against the revised budget of £335.6m. The main variances are as follows:

- Property Services – An overspend of £2.3m against the revised budget. This is due to accelerated Forward Works across the estate to maintain and enhance properties; accelerated BAU works at Chadwell Heath, offset in part by slippage on projects under ‘Transforming the Estate’.
- Transformation – An underspend of £41.7m against the revised budget, of which £24.0m relates to the Command and Control, this project is currently undergoing a formal project reset exercise, underspend of £12.7m relating to Connect and £3.1m underspend on Met CC Improvement Programme
- Digital Policing – An overspend of £5.6m against the revised budget due to new devices including the NMFL priority for front line policing to have laptops replacing tablets
- CTPHQ – An underspend of £3.5m due to capacity constraint and limited specialist resource, in particular those within the CTPHQ ICT and Commercial pillars.
- Fleet Services – An overspend of £5.6m caused by delayed 2022/23 conversion costs arising in 2023/24 and forward purchasing of IRVs due to critical operational

3.2. Full details can be found in the Q4 Performance Report on the MOPAC website.

4. Reserves

4.1. Earmarked reserves of £448.7m were available from 1 April 2023, and the budget approved in February 2023 included the proposed use of reserves totalling £193.6m. At Quarter Three the budget was updated to reflect the planned use of reserves £211.6m as a result of the reprofiling of projects into future financial years and changes in planned usage of reserves.

4.2. The draft outturn position (including the transfers from 2023/24 underspends into reserves) is a net use of reserves totalling £144.8m of which £136.2m relates to the MPS and £8.6m relates to MOPAC. This represents a significant reduction in the planned use of reserves by £66.8m to that reported at Quarter Three, of which £56.7m represents a reduction in the planned use of reserves within MPS and £10.1m a reduction in the planned use of reserves within the MOPAC.

- 4.3. A summary of the changes in MOPACs planned use of reserves are set out below, a more detailed breakdown is provided at Appendix Three:
- Carry Forward – Quarter Four transfer to reserve for projects where delivery has been reprofiled into 2024/25 - £2.7m
 - Transfer of underspend - £1.6m, of which £0.6m transferred to MOPAC budget resilience reserve and £1.0m transferred to the VRU budget smoothing reserve.
- 4.4. For MPS the provisional 2023/24 outturn is predicated on a net £136.2m usage of reserves, this represents a £56.7m net reduction from the Quarter Three budget. A summary of the changes in the MPS planned use of reserves is set out below, a more detailed breakdown is provided at Appendices Two and Four.
- Deferred expenditure / operational capacity in 2024/25 - £42.9m
 - New transfers to reserves - £13.6m
 - Residual reserve balances from projects that ended in 2023/24 - £1.2m
 - Offset by an increase in application of reserves £0.9m
- 4.5. The budget approved in March 2024 included a S25 report on the robustness of the budget and adequacy of reserves statement. This statement included reference to the challenging financial environment that the MPS/MOPAC operates in and noted that the MTFP assumed general reserves for MPS/MOPAC of 1.1% of the net budget. This is significantly lower than the national average of 3.1% and the recommendation was for general reserves to increase to 2-3%, for MPS/MOPAC this equates to £87m - £131m.
- 4.6. The general fund balance has increased from an opening £46.6m in 2022/23 to a closing balance in 2023/24 of £66.6m, an increase of £20.0m during a two year period. The year-end balance of £66.6m represents 1.9% of net revenue expenditure. Resilience has therefore increased and although not at the required level, has improved beyond what was originally forecast.
- 4.7. The reserves strategy recognises that the Medium-Term Financial Plan will required planned contributions to the General Reserve to ensure the target level of 3% is achieved.

5. Financial Comments

- 5.1. The report sets out the unaudited outturn position for 2023/24 which is subject to external audit. The impact of the out-turn position on the 2024/25 budget will be considered as part of the refresh of the Medium-Term Financial Plan. The underspend has provided an opportunity for general reserves to be strengthened which improves the overall financial resilience of the MOPAC/MPS financial position.

6. Legal Comments

- 6.1. There are no direct legal implications arising from this proposal.
- 6.2. 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.

7. GDPR and Data Privacy

- 7.1. 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.
- 8. Equality Comments**
- 8.1. 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.
- 8.2. 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 (✓)</i> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Financial Advice: The Finance Team has been consulted on this proposal. | ✓ <input type="checkbox"/> |
| Legal Advice: Legal advice is not required. | ✓ <input type="checkbox"/> |
| Equalities Advice: Equality and diversity issues are covered in the body of the report. | ✓ <input type="checkbox"/> |
| GDPR and Data Privacy GDPR compliance issues are covered in the body of the report. A DPIA is not required. | ✓ <input type="checkbox"/> |
| Head of Unit: The Deputy Chief Finance Officer and Head of Financial Management Mayors Office for Policing and Crime has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities. | <input type="checkbox"/> ✓ |

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 10/09/2024

Appendix One – MOPAC Detailed analysis of recommended budget moves to be submitted to DMPC for approval.

| Summary of budget Changes 2023/24 (up to Period 12) | | | | | | | |
|------------------------------------------------------|-----------------|----------------|--------------|-----------------------|--------------|--------------|----------------|
| Directorate | Original Budget | Carry Forwards | Reserves | Grants & Other income | Other | Total | Revised budget |
| | £m | £m | £m | £m | £m | £m | £m |
| DARA | 1.380 | -0.050 | 0.000 | 0.000 | 0.117 | 0.067 | 1.447 |
| Strategy | 11.220 | -1.278 | -0.830 | -0.456 | 2.609 | 0.045 | 11.265 |
| F&CS | -0.781 | -0.008 | 3.097 | -0.283 | 0.089 | 2.895 | 2.115 |
| C&P | 36.678 | -3.425 | -2.904 | 2.339 | 0.827 | -3.164 | 33.514 |
| VRU | 21.815 | 0.098 | 3.878 | -3.061 | -0.773 | 0.142 | 21.957 |
| HR & Private Office | 2.396 | 0.000 | 0.053 | 0.000 | 0.052 | 0.105 | 2.500 |
| Operation Soteria | 0.000 | 0.000 | 0.000 | 2.485 | -2.485 | 0.000 | 0.000 |
| Total | 72.709 | -4.663 | 3.294 | 1.023 | 0.435 | 0.090 | 72.799 |

Appendix Two – MPS Detailed analysis of recommended budget and reserve changes to be submitted to DMPC for approval (Q4)

| £m | Business Group | Police Officer Pay | Police Staff and PCSO Pay | Police Officer Overtime | Police Staff and PCSO Overtime | Running expenses | Capital Financing costs | Discret'y Pensions | Income | Grants | Transfers To/from Reserves | Grand Total |
|---------------------------------------------------------------|----------------|--------------------|---------------------------|-------------------------|--------------------------------|------------------|-------------------------|--------------------|---------|---------|----------------------------|-------------|
| Revised budget (Q3 2023-24) | £m | 2,397.25 | 775.56 | 155.19 | 26.75 | 997.48 | 121.85 | 49.03 | -344.60 | -776.84 | -192.93 | 3,208.76 |
| Revised application of reserves | | | | | | | | | | | | |
| Deferred expenditure / operational capacity in 2024/25 | | | | | | | | | | | | |
| New Met for London | S&T | | | | | -17.14 | | | | | 17.142 | - |
| Connect (MIPS) | S&T | | | | | -12.03 | | | | | 12.030 | - |
| CONNECT Training | S&T/CH | | | | | -4.08 | | | | | 4.082 | - |
| C&C System | S&T | | | | | -1.47 | | | | | 1.467 | - |
| Fleet Supplier Replacement Project Reserve | S&T | | | | | -1.17 | | | | | 1.166 | - |
| AFO Ballistic Body Armour | O&P | | | | | -0.85 | | | | | 0.850 | - |
| Learning Operating Model | P&R | | | | | -0.85 | | | | | 0.850 | - |
| Property Services - ESB Earmarked Reserve | P&R | | | | | -0.79 | | | | | 0.792 | - |
| FLP - Equipment- Defibrillator's | FP | | | | | -0.69 | | | | | 0.691 | - |
| MO4 - Operations & Performance Projects | O&P/FP | | | | | -0.53 | | | | | 0.525 | - |
| Met Detention - Appropriate Adult Joint Venture with NHS | O&P | | | | | -0.48 | | | | | 0.480 | - |
| FLP - Equipment (including BWV and Op Olympos) | FP | | | | | -0.40 | 0.03 | | | | 0.365 | - |
| ICT Replacement for London City Airport | FP | | -0.27 | | | -0.02 | | | | | 0.295 | - |
| Indecent Images of Children (IIOC) | FP | | 0.02 | | | -0.28 | | | | | 0.266 | - |
| Met Operation Projects | O&P | | | | | -0.25 | | | | | 0.250 | - |
| Software - Elvis (VRES IT System) | O&P | | | | | -0.25 | | | | | 0.250 | - |
| Property Services - Property Dilapidations | P&R | | | | | -0.25 | | | | | 0.247 | - |
| FLP -Training - Neighbourhood Strand Officers | FP | | | | | -0.24 | | | | | 0.244 | - |
| FLP - Specialist Crime Courses | FP | | | | | -0.21 | | | | | 0.215 | - |
| PRUM Treaty - Cross Border Police Co-operation | O&P | | | | | -0.19 | | | | | 0.192 | - |
| Forensics - Market Stabilisation (2020/21 costs) | O&P | | | | | -0.15 | | | | | 0.150 | - |
| Photo at the Roadside | DD&T | | | | | -0.10 | | | | | 0.100 | - |
| DMC - Leadership Team Development | C&E | | | | | -0.10 | | | | | 0.098 | - |
| PSD Covert Property Cost | P&R | | | | | -0.06 | | | | | 0.059 | - |
| Falcon - fraud and cyber crime | FP | | | | | -0.03 | | | | | 0.030 | - |
| CPIE Reserve | FP | | | | | -0.02 | | | | | 0.018 | - |
| CPIE Reserve | FP | | | | | 0.00 | | | | | 0.004 | - |
| Increase in application of reserves | | | | | | | | | | | | |
| Public Inquiries | PR | | | | | 0.37 | | | | | -0.370 | - |
| POCA Funding Carried Forward | FP | 0.03 | 0.12 | 0.10 | 0.00 | 0.09 | | | 0.03 | | -0.366 | - |
| ICT Replacement for Heathrow Airport | SO | | | | | 0.09 | | | 0.02 | | -0.116 | - |
| Op Soteria. Public Protection Reserve. | FP | | 0.00 | | 0.02 | 0.01 | | 0.00 | 0.00 | 0.00 | -0.032 | - |
| Driver Training | FP | | | | | 0.03 | | | | | -0.029 | - |
| ICT Replacement for London City Airport | SO | | | | | 0.02 | | | | | -0.022 | - |

| £m | Business Group | Police Officer Pay | Police Staff and PCSO Pay | Police Officer Overtime | Police Staff and PCSO Overtime | Running expenses | Capital Financing costs | Discret'y Pensions | Income | Grants | Transfers To/from Reserves | Grand Total |
|-----------------------------------------------------------------------------------------------------|----------------|--------------------|---------------------------|-------------------------|--------------------------------|------------------|-------------------------|--------------------|----------------|----------------|----------------------------|-----------------|
| New transfers to reserves | | | | | | | | | | | | |
| POCA Funding Carried Forward | FP | | | | | | | | -9.82 | | 9.819 | - |
| DPCC National Funding Program | DD&T | | | | | | | | | -1.40 | 1.400 | - |
| PBB Efficiency Programme | | | | | | -0.92 | | | | | 0.919 | - |
| Vetting Transformation Programme Funding 24/25 | CH | | | | | -0.58 | | | | | 0.579 | - |
| Resource Management | CH | | | | | -0.57 | | | | | 0.574 | - |
| Evidential Archive | S&T | | | | | -0.29 | | | | | 0.288 | - |
| Residual reserve balances from projects that ended this year (spare) | | | | | | | | | | | | |
| Conflict Management Dogs | O&P/CH | | | | | -0.34 | | | | | 0.345 | - |
| Operational Capacity | FP | | | | | -0.24 | | | | | 0.239 | - |
| Victim & Witness Care Reserve | O&P | | | | | -0.19 | | | | | 0.185 | - |
| Partnership And Sponsorship | FP | | | | | -0.16 | | | | | 0.155 | - |
| Frontline Projects | FP | | | | | -0.10 | | | | | 0.098 | - |
| Culture and Inclusion Taskforce | P&R | | | | | -0.08 | | | | | 0.075 | - |
| DPCC National Funding Program | O&P | | | | | -0.06 | | | | | 0.058 | - |
| FLP - DP costs to implement Medical SFR | FP | | | | | -0.03 | | | | | 0.029 | - |
| FLP - Equipment- Defibrillator's | FP | | | | | -0.02 | | | | | 0.017 | - |
| Application of reserves total | | 0.03 | -0.13 | 0.10 | 0.02 | -45.58 | 0.03 | 0.00 | -9.77 | -1.40 | 56.704 | - |
| Application of Grants and Income | | | | | | | | | | | | |
| Budget for Op Brocks funding from Home Office | O&P/FP | 1.71 | 0.05 | 7.57 | 0.20 | 6.70 | | | | -16.23 | | - |
| S31 Grant Budget movement for DDaT HQ relating to National IT charges | DD&T | | | | | 4.56 | | | | -4.56 | | - |
| Application of income/grants total | | 1.71 | 0.05 | 7.57 | 0.20 | 11.27 | 0.00 | 0.00 | 0.00 | -20.80 | 0.00 | - |
| CT/Protective Security Funding | | | | | | | | | | | | |
| Q3 Counter Terrorism funding (income / grant) changes | SO | 0.08 | 11.74 | 0.22 | 0.00 | 3.33 | 0.27 | 0.00 | -0.32 | -15.31 | | - |
| CT/ Protective Security changes total | | 0.08 | 11.74 | 0.22 | 0.00 | 3.33 | 0.27 | 0.00 | -0.32 | -15.31 | 0.00 | - |
| Various budget moves under de minimum of £500,000 (aggregated, not subject to DMPC approval) | | | | | | | | | | | | |
| MPS | | 0.00 | 0.38 | 0.00 | 0.00 | -0.38 | 0.44 | 0.00 | -0.41 | -0.04 | 0.00 | - |
| Total Virements and Reserve changes | | 1.81 | 12.03 | 7.90 | 0.22 | -31.37 | 0.74 | 0.00 | -10.50 | -37.54 | 56.70 | - |
| Revised budget Q4 2023/24 (to be approved) | | 2,399.06 | 787.59 | 163.09 | 26.97 | 966.11 | 122.59 | 49.03 | -355.10 | -814.38 | -136.23 | 3,208.76 |

Appendix Three – MOPAC Quarter 4 carry forward requests

| Directorate | Quarter 1 Approved £m | Quarter 2 Approved £m | Quarter 3 No approval required £m | Quarter 4 Approval requested £m | Total £m |
|--------------|-----------------------------|-----------------------------|--------------------------------------------|------------------------------------------|---------------|
| Strategy | 0.000 | 0.000 | 0.000 | 1.000 | 1.000 |
| C&P | 0.875 | 5.194 | 0.000 | 1.655 | 7.724 |
| VRU | 2.470 | 0.476 | 0.000 | 0.030 | 2.976 |
| Total | 3.345 | 5.670 | 0.000 | 2.685 | 11.699 |

Appendix Four – MPS Changes in the planned use of reserves at Quarter Four

1. The provisional 2023/24 outturn underspend is underpinned by a net £136.2m usage of reserves this year. The outturn position shows a £56.7m net reduction in use of reserves this year. The Q4 changes in the application of revenue reserves can be grouped into 4 categories as shown in the table below:

| Category | Change £m |
|--------------------------------------------------------------|---------------|
| Deferred expenditure / operational capacity in 2024/25 | 42.859 |
| New transfers to reserves | 13.579 |
| Residual reserve balances from projects that ended this year | 1.201 |
| Increase in application of reserves | -0.936 |
| Total reserve changes this quarter | 56.703 |

- 1.1. Delays in the delivery of products and / or services funded from reserves this year account for £42.9m reduction in reserves usage in Q4. Main items explaining this change are:

- a. £17.1m New Met for London reserve
- b. £16.1m CONNECT reserve
- c. £1.5m Command & Control systems
- d. £1.2m Fleet Supplier Replacement
- e. £7m is the balance consists of 22 individual reserve changes with delayed application of funds to 2024/25.

- 1.2. The new transfers to reserves account for £13.6m change in the Q4 utilisation of reserves. These are detailed in the table below:

| New transfers to reserves | £m |
|----------------------------------------------------|---------------|
| POCA (over-recovery of income) | 9.819 |
| DPCC National Funding (Home Office grant) | 1.400 |
| Efficiency Programme | 0.919 |
| Resource Management (from July'13 PIB allocations) | 0.574 |
| Vetting uplift (from July'13 PIB allocations) | 0.579 |
| Evidential Data Archive | 0.288 |
| Total reserve changes this quarter | 13.579 |

- 1.3. Reserve balances unused this year and no longer required amounted to £1.2m. These are reserve balances found to be surplus to requirement going forward – this could be either because the reserves funded activity ceased or a lower funding is now required to finalise it
- 1.4. All of the above net reductions in application of reserves are offset by £0.9m increase in drawdowns this quarter.

| Increased application of reserves | £m |
|-----------------------------------------------------|---------------|
| POCA Funding Carried Forward | -0.366 |
| Public Enquiry | -0.370 |
| Driver Training | -0.029 |
| Op Soteria. Public Protection Reserve. | -0.032 |
| ICT Replacement for London City / Heathrow Airports | -0.138 |
| Total increased application of reserves | -0.936 |

1.5. The total net application of reserves this year, allowing for transfer of the current provisional underspend to reserves, would be £123.4m