

DMPC Decision – PCD 1811

Title: MOPAC 2025/26 Budget and capital and reserve strategies

Executive Summary

Following the cross-GLA budget setting exercise from November 2024 – February 2025, and the London Assembly’s approval of the Mayor’s Council tax requirement at its meeting on 25 February 2025, the detailed MOPAC component budget for 2025-26 is submitted for the Deputy Mayor for Policing and Crime’s approval.

The budget presents a financing requirement for the Mayor’s Office for Policing and Crime (MOPAC) of £1,159.1m for 2025-26. This supports both the Mayor’s Office for Policing and Crime (including the Violence Reduction Unit) and the Metropolitan Police Service (MPS). It also sets out a capital programme of £338.4m for 2025-26, which sits alongside the more detailed capital strategy.

The reserve strategy includes details of both the general reserve and the earmarked reserves held, and explains the purpose of each reserve, together with the estimated opening balances for the year, details of planned additions and withdrawals, and the estimated closing balances. The reserves currently have a forecast closing balance in 2024/25 of £262.2m, reducing to £124.0m by the end of 2027/28.

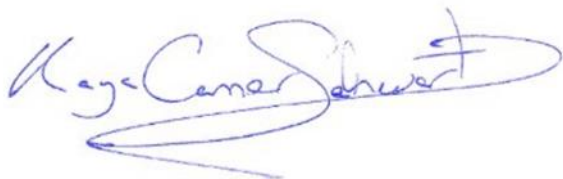
Decision

The Deputy Mayor for Policing and Crime is recommended to:

1. Approves the MOPAC budget as set out in the Appendix 1.
2. Approve the Capital Strategy as set out in Appendix 2.
3. Approve the Reserve Strategy as set out in Appendix 3.

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.

A handwritten signature in blue ink, reading "Kaye Cameron Stewart". The signature is fluid and cursive, with a large loop at the end of the last name.

Signature

Date 31/03/2025

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

1. Introduction and Background

- 1.1 The Mayor's consolidated budget for the Greater London Authority (GLA) group for 2025-26 was agreed on 25 February 2025. It brings together the plans of the GLA and its functional bodies of which the Mayor's Office for Policing and Crime (MOPAC) is one. MOPAC's budget includes the budget for the Metropolitan Police Service (MPS) and also the Violence Reduction Unit (VRU).
- 1.2 The Mayor's consolidated budget has been published on the Greater London Authority website. Following the completion of the Mayor's budget process, this report sets the final budget for MOPAC and MPS. It sets out a number of changes since the draft was published in November 2024.
- 1.3 The Mayor has been clear that keeping Londoner's safe is his top priority and police reform is a critical part of this. In response to the Baroness Casey review the Commissioner launched A New Met for London (NMfL), the MPS plan to address the systemic and foundational issues raised by Baroness Casey, HMICFRS, the people of London and the MPS own officers and staff. The plan set three priorities Community Crime Fighting, Culture Change and Fixing Foundations.
- 1.4 Given the timelines for setting the budget, the budget and the Medium-Term Financial Plan (MTFP) have been prepared under the priorities of the Police and Crime Plan 2022 – 2025, and what was known at the time in relation to the new Police and Crime Plan, a draft of which was published on 18 December 2024 for consultation, the consultation closed on 12 February 2025. The final version of the Police and Crime Plan 2025-29 was published on 31 March 2025, and will inform the budget and MTFP for future years.
- 1.5 The MTFP has been constructed on a medium-term basis and there is a need to ensure adequate resilience in future years. The MTFP provides for a balanced budget in 2025-26 through the delivery of efficiencies, a reduction in investment in NMfL and the delivery of tough choices. A dedicated capability, the 'engine room' has been established within the MPS to deliver the significant organisational change required to deliver these tough choices.
- 1.6 This budget is challenging and represents a 'real terms' cut to total MPS expenditure. The Commissioner has had to assess how to balance spend between operational performance and reform. An organisational Strategic Planning Framework has been developed to underpin budget development with full effect in future years.
- 1.7 The revenue budget and the capital programme are intrinsically linked and there is an increasing revenue impact that has been a key consideration in developing the budget. Borrowing levels that have been subdued due to high levels of capital receipts in previous year are forecast to increase in the future. Affordability of the capital plans in the context of the challenges on the revenue budget and knock on

impact on operational delivery will be a key consideration in future budget setting processes.

Capital Strategy

- 1.8 Further detail of the capital programme is set out in the capital strategy (Appendix 2). This outlines the 5-year capital programme as well as the wider 20-year capital ambition that formed part of the GLA Group wide capital strategy and was published with the Mayor's Draft Final Consolidated 2025/26 budget.
- 1.9 The capital strategy is a requirement of the CIPFA Prudential and Treasury Management Codes and forms the foundation of the authority's long-term planning and delivery of its capital investment. The strategy sets the parameters for the capital programme, which will be updated each year and will help to ensure that capital resources are used efficiently to achieve the best possible outcomes within constrained budgets.
- 1.10 The estimated cost of the capital strategy over the 20-year period to 2043/44 is c£4.2bn, with £1.5bn of expenditure over the five years of the published Capital Programme and a further £2.7bn between 2029/30 and 2043/44.

Reserve Strategy

- 1.11 In accordance with the Revised Financial Management Code of Practice for Policing MOPAC is required to publish a Reserves Strategy. The strategy includes details of both the general reserve and the earmarked reserves held, and explains the purpose of each reserve, together with the estimated opening balances for the year, details of planned additions and withdrawals, and the estimated closing balances.
- 1.12 Current plans assume a reduction in reserves of £107.9m in 2024/25 and then over the 3 year period 2025/26 – 2027/28 MOPACs reserves reduce by £138.5m This represents a reduction of £246.5m in the period 2024/25 – 2027/28. Resulting in a closing balance of earmarked reserves of £124.0m at March 2028. This includes the general reserve of £76.6m. The general reserve is currently 2% of the net revenue budget.

2. Objectives and Expected Outcomes

- 2.1 The budget sets the financial envelope for the MOPAC and MPS operations in 2025-26. The budget will be deployed to meet the Mayor's priorities for policing and crime. The Appendix sets out the detail on how the budget is set at an operational level to support the delivery of the outcomes.
- 2.2 The budget will come into effect from 1 April 2025.

3. Other Comments

- 3.1 The equality considerations formed part of the Mayor's budget submission.
- 3.2 The budget setting process has been conducted in accordance with the statutory requirements in the GLA Act 1999. The London Assembly approved without amendment the MOPAC Mayoral component budget council tax requirement at its meet of 25 February 2025.
- 3.3 There may be equality implications of the MPS' organisational change required to deliver its tough choices. These will be assessed on a per programme basis and an EQIA will be required for every tough choice once its design is confirmed.

4. Financial Comments

- 4.1 The financial implications are set out in the report and S25 statement that sets out the CFO's opinion on the robustness of the estimates and the adequacy of reserves has been updated to reflect the work that has been undertaken since the Mayor's budget was set.

5. Legal Comments

- 5.1 MOPAC's general powers are set out in the Police Reform and Social Responsibility Act 2011 (the 2011 Act). Section 3(6) of the 2011 Act provides that MOPAC must "secure the maintenance of the metropolitan police service and secure that the metropolitan police service is efficient and effective." Under Schedule 3, paragraph 7 (1) MOPAC has wide incidental powers to "do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the Office." Paragraph 7(2) (a) provides that this includes entering into contracts and other agreements.
- 5.2 Section 143 (1) (b) of the Anti-Social, Behaviour Crime and Policing Act 2014 provides for MOPAC to provide or commission services "intended by the local policing body to help victims or witnesses of, or other persons affected by, offences and anti-social behaviour."
- 5.3 There are further relevant powers set out in the Crime and Disorder Act 1998 at sections 17(1) (a) to (c) which place MOPAC under a duty to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all it can to prevent, crime and disorder (including anti-social and other behaviour adversely affecting the local environment), reoffending in its area, and the misuse of drugs, alcohol and other substances in its area. The proposed arrangements are consistent with MOPAC's duties in the Crime and Disorder Act 1998.

- 5.4 Paragraph 4.8 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all offers of grant funding.
- 5.5 Paragraph 4.8 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve the award of all individual grants whether to secure or contribute to securing crime reduction in London or for other purposes.
- 5.6 Paragraph 4.6 of the MOPAC Scheme of Delegation and Consent provides the DMPC authority to delegate those functions which are reserved for the DMPC.
- 5.7 These recommendations are in line with the MOPAC Scheme of Delegation and Consent.
- 5.8 Officers must ensure the Financial Regulations and Contract Regulations are complied with.
- 5.9 Officers should ensure that the funding agreements are put in place with and executed by MOPAC and the provider before any commitment to fund is made.
- 5.10 As confirmed at 3.2 above, the budget setting process has been conducted in accordance with the statutory provisions in part III and schedule 6 of the GLA Act 1999. The DMPC is required to approve for the purposes of its publication, and to publish the MOPAC Mayor component budget as soon as is practicable (para 11, Schedule 6 of the GLA Act 1999).

6. GDPR and Data Privacy

- 6.1 MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work with or on behalf of MOPAC are fully compliant with the policy and understand their GDPR responsibilities.

7. Equality Comments

- 7.1 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.
- 7.2 MOPAC will ensure Equalities considerations form part of all work commissioned with this funding. As part of the quarterly performance monitoring of each service

we collect demographics information, which helps us to understand who is accessing each service and how any barriers to accessing may be overcome.

- 7.3 As noted above, there may be equality implications of the MPS' organisational change required to deliver its tough choices. These will be assessed on a per programme basis and an EQIA will be required for every tough choice once its design is confirmed.

8. Background/supporting papers

Appendix One - Detailed budget report

[MOPAC and MPS Final Budget 2025-26 and Medium Term Financial Plan 2026-27 to 2027-28](#)

[Annex 2 Tough Choices](#)

Appendix Two – Capital Strategy

[Mayor's Office for Policing and Crime – Capital Strategy 2025-26 to 2028-29](#)

Appendix Three – Reserve Strategy

[Reserves Strategy 2025/26 - 2027/28](#)

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: N/A

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 –

| ORIGINATING OFFICER DECLARATION | | confirm statement (✓) |
|---|--|-----------------------|
| Financial Advice: The Strategic Finance and Resource Management Team has been consulted on this proposal. | | ✓ |
| Legal Advice: Legal advice has been included | | ✓ |
| Equalities Advice: Equality and diversity issues are covered in the body of the report. | | ✓ |
| Public Health Approach | | |

| | |
|--|---|
| Due diligence has been given to determine whether the programme sits within the Violence Reduction Unit's public approach to reducing violence. This has been reviewed and supported by a senior manager within the VRU. | ✓ |
| Commercial Issues The Contract Management Team has been consulted on the commercial issues within this report. The proposal is in keeping with the GLA Group Responsible Procurement Policy. | ✓ |
| GDPR/Data Privacy GDPR compliance issues are covered in the body of the report . | ✓ |
| Drafting Officer Annabel Cowell has drafted this report in accordance with MOPAC procedures. | ✓ |
| Director/Head of Service: The MOPAC Chief Finance Officer and Director of Corporate Services has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities. | ✓ |

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|--|------------------------|
| Chief Executive 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 31/03/2025 |