

MOPAC/MPS BUDGET SUBMISSION 2024/25 to 2026/27

1. BACKGROUND

- 1.1. The Mayor's top priority is keeping Londoners safe. The draft budget has been produced to support this aim, and in accordance with the Mayor's Budget Guidance issued in July 2023.
- 1.2. Police reform is a critical part of this mayoralty and the Mayor continues to spearhead building a police service that is trusted, representative of London and delivers the highest possible service to every community in our city as part of building a safer London for everyone. Following a series of appalling scandals relating to the Metropolitan Police Service (hereafter 'MPS'), the Mayor asked Baroness Casey to conduct an independent review of culture and standards in the service. In her review, Baroness Casey found that MPS is institutionally racist, misogynist and homophobic.
- 1.3. The Mayor is determined to ensure MPS takes action on Baroness Casey's findings, to rebuild trust with Londoners and take a community-first approach, where police officers listen, understand and respond to the needs and concerns of London's communities, in particular those who have been let down for far too long, particularly Black communities.
- 1.4. The Mayor has ensured the MPS is now on a path of far-reaching systemic and cultural reform. In 2023, the Commissioner launched A New Met for London (NMfL) to deliver the change needed. The NMfL is the MPS plan to address the systemic and foundational issues raised by Baroness Casey and the findings from the HMICFRS PEEL inspection. Supporting this ambition and addressing the acute challenges faced by MPS in the short term by driving the focus on More Trust, Less Crime and High Standards is a key element of the budget submission.
- 1.5. The New Met for London Plan will initially focus on 3 priorities that will stabilise and build new foundations for MPS whilst simultaneously building momentum for wider reform. These are: Community Crime Fighting, Culture Change and Fixing Foundations. This budget submission reflects the Mayor's continued support for this vital work and also includes funding that was made available in 2023/24 for leadership development, call handling and victims. Within the budget submission is growth to support the New Met for London Plan that will enable reform to continue, it is however recognised that without further investment the pace of the change may be slower than would otherwise be the case.
- 1.6. Therefore, ensuring sufficient funding for policing in London is vital and, in recognition of this, representations have been made to the Home Office to support the structural underfunding of policing for London. This has been especially visible in recent weeks. The extreme demand for public order policing driven by London's status as a focus for the Israel/Palestine and Just Stop Oil protest activity has massively reduced the resources available for local policing through abstractions and created significant demand on frontline policing. The significant under-funding of the National and International Capital

Cities Grant originally calculated as £159m, which when restated to reflect current prices is estimated to be c£240m, needs to be addressed.

- 1.7. In July 2019 the Government announced a commitment to fund an additional 20,000 officers nationally. Of the 20,000 Home Office Police Uplift investment the MPS received funding for 4,557 additional officers. Whilst the joint MPS and MOPAC ambition was to receive a larger proportion of the uplift (for 6,000 officers), and this remains the case, Home Office funding has only been made available for 4,557 officers. Once recruited this would increase police officer numbers to 35,415.
- 1.8. Officer numbers at the end of 2023/24 are estimated to be 34,000 and the budget submission assumes growth of a further 500 officers during 24/25. Whilst this will not achieve the full uplift to 35,415 it is still a highly ambitious recruitment plan against the levels of applications the MPS are currently achieving.
- 1.9. The budget includes £30m in reserves funded from an original allocation in 2019/20 of £118.6m by Mayoral Business Rates to ensure funding was available for 1,000 additional police officers and could be maintained over the medium-term. In addition, the Mayor has previously provided baselined funding for a further 300 officers, taking the total additional officers provided by Mayoral funding to 1,300. The final £30m of the reserve will be used in 2024/25. The budget assumes that the costs will remain and this is creating a budget pressure from 2025/26 onwards.
- 1.10. On 22 November, the Chancellor published the Autumn Statement. The impact of what this means specifically for the Mayor's Office for Policing and Crime (hereafter MOPAC) is still being worked through by central government and the full impact together with the outcomes of the Police Grant Settlement will be included within the final budget following the conclusion of the GLA Group budget process in February 2024. Therefore, the only changes to Government funding assumed are as per the 2021/22 settlement with some adjustments for the reversal of the National Insurance Levy.
- 1.11. At this stage there is a budget gap of £54m in 2024/25, rising to £246.3m in 2026/27. In addition to this, the Commissioner has set out a plan for further investment to help deliver the New Met for London and address the officer and staff mix imbalance to boost frontline numbers and meet key skills gaps. As set out in the NMfL, the MPS has said much of the plan can be delivered at relatively low additional cost and the Commissioner will endeavour to fund as much of the shortfall as possible through reprioritising existing budgets and generating efficiencies where possible. But there are important elements that will require significant additional expenditure. Delivering the plan would require a further £70.1m and £73.5m respectively in 2024/25. This is referred to as the 'Investment Gap'. These, together with the requirement to identify a further £52.5m in savings or efficiencies (already included in the budget submission), which likely cannot be achieved without some impact on services, increases the gap from £54m to £250m in 2024/25. Further information on this is set out later in the report.
- 1.12. This submission sets out the MOPAC/MPS revenue and capital budgets for the period 2024/25 to 2026/27 proposed by the Deputy Mayor for Policing and Crime to the

Mayor. The budgets are based on current best estimates which will be subject to change in the final budget proposals. These have been prepared in accordance with the Mayor's Budget Guidance issued in July 2023 and will form part of the overall GLA Group Consolidated Budget to be agreed in February 2024.

- 1.13. It should be noted that the MOPAC Budget incorporates both the MOPAC (including the Violence Reduction Unit (VRU)) and the MPS budgets. Where the submission makes reference to MOPAC/MPS, this refers to the group budget, otherwise references to the individual bodies refer to the budget of that body itself i.e., MOPAC or MPS.
- 1.14. As an Authority, MOPAC is also required to publish a Medium-Term Financial Plan (MTFP) covering the forthcoming financial year plus two further years and this is included within this submission.
- 1.15. The MPS Capital Programme is £1.4bn between 2023/24 and 2027/28. This expenditure will be funded from a combination of capital receipts of £39.9m, capital grants and third-party contributions of £201.7m, borrowing of £1,140.9m and revenue contributions of £22.6m. Going forward, whilst the overall size of the capital programme has not changed significantly since the previous forecast, the mix of funding has with a much greater reliance on borrowing than in previous years. This is adding further pressure on the revenue budget to fund these costs.
- 1.16. The investment is however vital to ensure the MPS can continue to innovate and deliver a modern police service for Londoners. The Commissioner is currently reviewing the draft estates strategy in light of New Met for London and any financial impact will be reflected in the final budget proposals. At this stage, capital requirements linked to New Met for London are not included in the capital plan though they are estimated to be £34.2m in 2024/25 increasing to £232m by 2027/28.
- 1.17. Borrowing levels are forecast to increase due to lower than anticipated capital receipts and external funding. Capital receipts are lower due to a pause in the estates strategy whilst the Commissioner considers the longer-term estates requirements in the context of New Met for London. Forecast capital receipts may change once the review has been completed. Borrowing is necessary as a result of the Government's continued lack of investment funding within the Police Settlement. Excluding Counter Terrorism grant funding, which is ring fenced for specific expenditure, the MPS receive no capital grant from the Government. It is assumed that no grant for capital will be received in future years.
- 1.18. The potential to generate capital receipts by disposing of buildings is also decreasing as the estate portfolio becomes smaller, and officer numbers increase. Further modernisation and investment in equipment and technology necessary to police a 21st century society risks creating an increasing dependence on external borrowing. This will increase the cost of capital financing, which is funded from the revenue budget, in turn creating pressures on stretched resources. Increases in interest rates will also add more pressure on financing costs.

1.19. With significant pressure on the revenue budget, the need to borrow must be balanced against affordability and the limits set in the treasury management strategy.

2. MAYORAL PRIORITIES

2.1. The Mayor of London sets the budget and is responsible for making London a better place for everyone who visits, lives or works in the city. The Mayor is elected every four years and sets out an overall vision for London. In May 2021 (a year later than normal due to the Covid 19 pandemic) the Mayoral Elections were held, with Sadiq Khan being re-elected as Mayor of London. The Mayor has a duty to create plans and policies for the capital covering: Arts & Culture; Business & Economy; Environment; Fire; Health; Housing and Land; Planning; Policing & Crime; Regeneration; Sport; Transport; and Young People. Other priorities for the Mayor include higher education, attracting foreign investment and events to London particularly to build economic recovery and growth following the Covid pandemic.

2.2. On 24 March 2022, the Mayor published his Police and Crime Plan for London, following consultation with nearly 4,000 Londoners, victims of crime, agencies, community groups and businesses. The Mayor's Police and Crime Plan sets out his vision for a city in which Londoners are safer – and feel safer.

2.3. The four key themes of the Plan are:

Reducing and preventing violence – preventing and reducing violence affecting young people; making London a city in which women and girls are safer and feel safer; tackling the harm caused by drugs; reducing reoffending by the most violent and high-risk groups; preventing hate crime; and working together to prevent terrorism and violent extremism.

Increasing trust and confidence – increasing public trust in the MPS and reducing gaps in confidence between different groups; ensuring that the MPS engages with Londoners and treats them fairly; and ensuring that the MPS, borough councils and all community safety partners respond to neighbourhood crimes such as burglary and anti-social behaviour.

Better supporting victims – improving the service and support that victims receive from the MPS and the criminal justice service; working to ensure victims receive a better criminal justice response and outcome; and reducing the number of repeat victims of domestic abuse and sexual violence.

Protecting people from being exploited or harmed – reducing the number of young people and adults who are criminally exploited or harmed; keeping young people in the justice system supported and safe; and keeping people safe online.

2.4. MOPAC is overseeing the delivery of the Mayor's Police and Crime Plan by tracking a core set of measures of policing and crime activity. These measures reflect the Mayor's priorities and the activity and input of all criminal justice partners. MOPAC's outcomes

framework presents a balanced view across the priorities set out in this Plan. In setting his plan, the Commissioner is required to have regard to the Police and Crime Plan and the final budget will be expected to support this.

- 2.5. In recognition of the volume and level of harm caused by Violence Against Women and Girls (VAWG) in London, the Mayor has also produced a refreshed VAWG Strategy. Launched in June 2022, the Strategy was informed by extensive consultation with Londoners, victims of crime, partner agencies and community and voluntary groups.
- 2.6. The Strategy builds on the successes of the Mayor's previous VAWG Strategy, and the approach used by his Violence Reduction Unit, by adopting a public health approach to VAWG. It puts prevention at the centre of everything we do and includes a greater focus on education and enhanced partnership working, not least with London's excellent VAWG sector.
- 2.7. The Strategy sets out four priority areas for action:
 - Preventing and reducing VAWG.
 - Supporting all victims and survivors.
 - Holding perpetrators to account.
 - Building trust and confidence.

3 MPS BUDGET - A NEW MET FOR LONDON

- 3.1. In 2023, the Commissioner launched the New Met for London plan. When the budget is finalised, and subject to additional investment on top of what has already been provided, it will respond to the Mayor and Commissioner's strategic and operational priorities.
- 3.2. The wider context of police funding is making it more difficult to police the capital within existing budgets. Crime is changing, with demand and complexity rising, and tackling it effectively requires a well-run, well-resourced organisation that properly equips its people to meet the challenges they face every day. Although these changes have affected policing nationally, it has disproportionately affected London – the UK city with the highest rate of population growth. Specifically:
 - MPS, as a capital city police force, bears the pressure of the vast majority of national policing activity usually funded through the NICC, the gap for which was previously calculated as £159m and could be as much as c£240m based on current prices.
 - Whilst other countries have increased real terms funding to their capital cities, the MPS funding lags behind its peers. Below average funding increases in real terms: both nationally compared to other police forces and compared to global cities such as New York and Sydney. New York and Sydney's budgets per head are c. 50% higher, at £530 and £550 respectively, compared to London's £360.

- 3.3. Because the population of London has risen so rapidly, in real terms the MPS has experienced the most dramatic funding cut in England and Wales. For the MPS to match real-term funding at 2012 levels would require an increase in per-capita funding of 27%, the equivalent of an additional £878.0m investment shortfall for 2022.
- 3.4. Implementation of New Met for London is underway, including through the use of funds allocated by the Mayor for this purpose in 2023/24 and including growth included in the budget submission. There is strong commitment from the Commissioner to use existing investment effectively and reprioritising where resources are currently allocated to maximise delivery of reform. However, given the shortfalls in NICC funding received by the MPS, not all aspects of the NMfL plan can be delivered without additional investment. The Commissioner has already committed to finding efficiencies in the MPS, starting with 2% next year.
- 3.5. The public rightly expect police officers to be engaged primarily in front line roles. The ratio of officer to staff in London is at significant variance to elsewhere in the country meaning officers are sometimes engaged in tasks that would be better done by staff specialists. Government funding is currently tied to a police officer headcount number skewing the workforce model.
- 3.6. The MPS workforce is insufficient for the current demands, reflected in the New Met for London strategy as the need to Fix our Foundations. As Baroness Casey identified, the overwhelming focus on prioritising officer numbers over the last decade means that efficiencies and cuts have fallen disproportionately on staff and support roles, meaning that the MPS is lacking skills in key areas, has the wrong staff/officer ratio, and does not have sufficient skills and people in key support roles. The Commissioner's assessment is that if we fail to address these foundational issues then the reform plans are likely to tackle the symptoms, rather than the causes, of the challenges Casey, HMIC and others have all identified that must be addressed.
- 3.7. MPS Support functions include a far higher percentage of officers (45%) compared to the average in England and Wales (28%). In 2012/13, every six warranted officers in London had the support of four civilian staff, PCSOs or Specials. By 2022/23, that ratio had changed so that every seven warranted officers had the support of fewer than three staff, PCSOs or Specials. The MPS have 5,000 fewer police staff FTE than in 2010. The significant demand for more resource in these support roles has, alongside past cuts/efficiencies, led to a position where we have too many officers in support/staff roles. A focus purely on numbers of officers has limited the ability to transform and fund the capabilities needed. On top of this, the ring-fencing of budgets has prioritised police numbers and operational activity which has been a priority at the time and limited the MPS' ability to meet its challenges and prioritise resource and officer and staff mix to align with the areas of greatest need.
- 3.8. As part of the NMfL deliverables it has been important to consider how MPS will address the officer and staff mix imbalance to boost frontline numbers and meet key skills gaps. The MPS will need to take forward an uplift in staff by recruiting additional skilled staff into key roles to backfill officers currently filling those posts – who do not have the right

specialist skills and should be part of the frontline, boosting policing for Londoners. The MPS have identified that investment of £73.5 million could deliver an additional c.1000 skilled staff – who can meet the key skill gaps identified in the NMfL and by Baroness Casey and release an additional c.1000 frontline officers currently filling staff roles back into frontline policing. A bid has been placed with the Home Office this summer for this funding. This cost (and associated funding bid) has not yet been reflected in the budget.

3.9. Investment to address the officer/staff imbalance will address:

- **Leadership reform** - Casey and HMICFRS both identified the need to address leadership; how we select, develop, manage performance and create the right environment to lead well;
- **Lack of key specialist skills in priority areas** - Casey and HMICFRS have both identified a lack of key specialist resources in areas like HR, finance, IT, project management and other staff functions. The MPS has the worst ratio of officers to staff in England and Wales. Casey specifically cites “the stripping out of support and civilian staff roles and functions was one of the most significant consequences of the impossible juggle of cost-saving while keeping officer boots on the ground” as a key driver of the issues she found in BCUs and public protection teams;
- **Lack of resources in key areas** – particularly VAWG and neighbourhood policing. Casey identified public protection, professionalism and BCUs/neighbourhood teams as requiring fundamental reform. Casey and HMICFRS have found significant areas of weakness and both have cited an acute need to uplift officer and staff numbers. Casey sets out that “steps taken to deliver efficiencies have weakened the management and delivery of frontline policing in the capital and its connection to Londoners”. Casey calls for the MPS to “build a frontline policing service for London which is as revered and well-resourced as its central specialist teams, giving Londoners the Safer Neighbourhoods, Public Protection and Response teams they deserve”.

3.10. Alongside this, the New Met for London Plan sets out the MPS’s plan to address these challenges and transform the MPS through delivering a range of programmes and activities to reform the MPS. The scale, pace and level of the ambition and progress the MPS will make will be dependent on the funding, workforce and mix of skills and officers and staff available to the MPS to deliver the NMfL. To deliver the ambition, there is a need to invest over the short and long term to put the NMfL on a sustainable medium term financial plan. The cost of delivering the additional programme activity to deliver a New Met for London is £70.1m in 2024/25 (£46.2m revenue, £13.9m capital and £10.0m contingency to cover unknowns and emerging costs). These costs are set out in the table below and are not included in the budget submission as they remain unfunded:

Priority Area	Programme	2024/25 Investment Requirement	
		Revenue £m	Capital Costs (Excluding Estates) £m
Community Crime Fighting	Neighbourhoods	4.20	0.16
	Public Protection	0.35	0.65
Culture Change	Culture and Professionalism	8.54	2.13
	Firearms Reform	2.1	1.35
Fixing Foundations	Relentless Data Driven	7.86	7.75
	Leadership and Learning	8.36	1.76
	Strong Organisational Core	2.00	0.10
	Enabling Functions	12.83	0.00
Total NMfL Investment Requirement		46.23	13.90

3.11. The NMfL investment will deliver:

- Activity that will help better fight crime in communities, including new community training and digital hub teams to improve how MPS work with Londoners.
- New operating models for the Professionalism command and improvements to how vetting and misconduct hearings are run, as well as the creation of a new directorate to drive long-term cultural change.
- Improved data governance and literacy across MPS, as well as a new performance and insight function to enhance understanding of how well MPS are doing in delivering More Trust, Less Crime and High Standards.
- Critical activity to help fix the foundations, including a new Learning & Development operating model and new training courses, an enhanced workforce planning capability, to ensure a future MPS is the right size and shape, and surge capacity to boost HR and finance functions.

3.12. If Home Office funding is not secured then the total amount of investment that will need to be identified to deliver the full NMfL ambition and address the officer/staff imbalance is £143.6m.

3.13. MPS and MOPAC will work through the financial impact of the strategy in the coming weeks in time for the final GLA Group budget in February. This will include looking at where budgets can be re-prioritised to further support the strategy. As it stands, the full cost of all aspects of NMfL is not included in the main budget submission to the Mayor but is reflected in the Investment budget.

3.14. The Commissioner has previously estimated that the cost of delivering reform and closing the gap by 2028 is between £850m and £950m. This is based on an assessment of what it will take to police London well and deliver the scale and ambition of reform that Londoners have called for – building on the NMfL to embed those changes and deliver long term reform.

4. 2023/24 REVENUE AND CAPITAL FORECAST

- 4.1. The 2023/24 revenue budget was balanced and agreed in March 2023. In line with his priorities, the Mayor allocated an additional £8.8m of recurring funding. This increase in funding was funded through a combination of the council tax increase, an increase in the council tax base that was better than forecast, and recurring business rates. These additional funds increased investment in the ADDER model which tackles drug related crime, and enhanced provision for victim care. The Mayor, also through the precept made £52.3m of funds available to support NMfL and reform: additional PCSOs and for investment in leadership training, BCU victims desks, Public Protection and Met CC.
- 4.2. The latest financial forecast for 2023/24 is based on monitoring at Quarter 2 (to the end of September). Full details can be found in the latest ([MOPAC Q2 Report 2023-24 | London City Hall](#)). In summary, the MPS is currently forecasting an overspend of £40m for 2023/24. This reflects overspends on police officer and police staff overtime offset by an underspend on pay (£29.4m), an overspend on running costs (£55.3m) offset by additional income and grants (£42.6m). Running costs include training for CONNECT. In response to this overspend the MPS are reviewing all budgets to identify any emerging underspends and have created an efficiency board to look at efficiency options that can be used to close the gap.
- 4.3. The MPS capital programme provided for £395.7m of expenditure in 2023/24 and this was to be funded from a combination of capital receipts, grants, and borrowing. The forecast capital expenditure outturn for 2023/24 is an overspend of £49.0m against a revised budget of £286.6m and is due, in part, to some costs that were planned for 2024/25 being brought forward, i.e. the rollout of new devices to the frontline. The budget was revised to reflect a land transaction that is now planned for future years. The 2023/24 forecast position will continue to be monitored throughout the year and any further slippage will be reported as part of the quarterly monitoring process. To avoid the potential for significant variances in future years, a thorough review of capital schemes and expenditure plans has been carried out including a review of any optimism bias in spending forecasts.
- 4.4. The capital variance is driven largely by overspends on Transformation (£43.2m), Digital Policing (£12.4m) and Property (£2.2m). These are offset by small underspends on Met Operations (£3.4m), Counter Terrorism (£2.9m) and Fleet (£2.5m). Transformation and Digital Policing overspends are due to delays in the CONNECT and Command and Control programmes and bringing forward, from 2024/25, the rollout of new devices to the frontline from 2024/25.
- 4.5. MOPAC are forecasting a year end underspend of £0.4m, largely due to an underspend on commissioned services of £1.8m, offset by overspends in staffing of £0.7m and other supplies and services of £0.7m. The forecast position also includes the proposed carry forward of funds totalling £9.0m to align spend to delivery and the net use of reserves totalling £0.3m, the majority of which relates to the costs of the London Policing Board in

2023/24 whilst a longer-term funding solution is identified, offset by a small reduction in the budgeted use of reserves.

5. MOPAC/MPS BUDGET SETTING PROCESS

- 5.1. In preparing the revenue and capital budget each business unit within MOPAC/MPS carried out a detailed review of budgets. A capital scrutiny process was established to challenge capital schemes and expenditure plans. For revenue budgets, internal oversight boards have been established to review all revenue budgets and these will be held on a quarterly basis. The outcome of these boards will inform the quarterly monitoring as well as the annual budget setting process for 2024/25 and future years. A detailed capital scrutiny process has also been carried out to test the spending plans on capital and to ensure these and any optimism bias are realistic.
- 5.2. In setting the budget, a detailed review of reserves has been carried out. Previously earmarked reserves have risen driven by delays in the delivery of projects. This is no longer the case and reserves are reducing significantly. In 2023/24 a review identified reserves that could be released to fund New Met for London activities.
- 5.3. The budgeted use of reserves in 2024/25 is significant due to the financial challenges and the need to invest further in one-off expenditure to support New Met for London. A draft reserves strategy has been produced and has been developed in the context of supporting New Met for London, balanced against financial risk and the need to ensure financial resilience and sustainability over the Medium-Term Financial Plan. More information is set out in the draft reserves strategy.
- 5.4. Reserves are forecast to reduce by £411m over the period 2023/24 -2026/27 to £84.3m of which £46.6m is the general reserve. The reduction reflects the need to support New Met for London and existing projects as well as to support the ongoing budget. The significant reduction in reserves will need to be closely monitored and managed. Going forward there will be a need to budget for an increase in the reserves over the medium term to ensure they are sufficient to manage risk. This is not currently included in the budget forecast.
- 5.5. The development of this budget proposal has been subject to oversight by the Deputy Mayor through her regular meetings with the Commissioner, budget workshops and regular bilateral meetings with the MPS Director of People Resources and Interim Chief Finance Officer.

6. REVENUE BUDGET 2024-25 TO 2026-27

- 6.1. The Mayor has been clear that keeping Londoners safe is his top priority. He has pledged to be tough on crime and the causes of crime. He has committed to do all he can to ensure the MPS have the resources they need to serve Londoners effectively. In previous years underfunding from Government has meant pushing the cost of policing onto Londoners' council tax bills.

- 6.2. Excluding additional NMfL investment costs, MOPAC/MPS propose a net expenditure budget of £4,309.7m in 2024/25, a £22.9m increase compared to the revised 2023/24 budget of £4,286.8m. Within this, considerable resources are focussed on the Mayoral priorities set out in later in the report.
- 6.3. According to this budget submission, the proportion of funding provided by the Mayor in 2024/25 to MOPAC/MPS will be 24% (compared to 18% in 2010, and 19% in 2016). Central Government funding accounts for 71% of the MOPAC/MPS budget with further funding possible pending the details of Provisional Police Settlement. Use of reserves and savings to be identified to resolve budget gaps account for the remainder. This highlights the fact that the financial sustainability of the MPS depends on funding decisions taken by the Treasury and the Home Office to a large degree. Without additional funding from the Government, achieving the wider ambition of NMfL will be challenging.

	2024/25 £m	%
Central Government Police Grant [1]	2,435.6	56%
Specific Grants	676.1	15%
GLA Precept [2] and Business Rates	1,042.8	24%
Use of Reserves	155.3	4%
Savings to be found (budget gap)	54.0	1%
Total	4,363.8	100%

[1] Police Grant is assumed to include the reduced full year impact of officer uplift, full year impact of pay award. We will not have the details until Provisional Police Funding Settlement in December.

[2] Based on the assumption in the Mayor's Budget guidance of a 2.99% increase in the Council Tax Precept based on rate and a 1.5% increase based on increase in council tax base.

Funding Assumptions

- 6.4. On 27 October 2021 the Government presented its Budget and Spending Review for the three years 2022/23 to 2024/25. The Spending Review did not respond to several significant resourcing needs faced by MOPAC/MPS, including the following:
- The Mayor and the Commissioner of the MPS have been clear since 2019 that to keep Londoners safe the MPS require more officers to meet demand. There has been funding provided to recruit 4,500 officers.
 - Whilst it remains the MPS ambition to reach the target of 6,000 officers, alongside an ambition for a significant uplift in police staff, funding has not been provided to meet this. Any additional funding made available would need to be prioritised to reflect the greatest need across the ambition to uplift both police officers and police staff.
 - At £185m, the National and International Capital Cities (NICC) grant is underfunded by £159m, although based on current prices this is considered to be c£240m per year. The Mayor and Commissioner have repeatedly called for this underfunding to be rectified

over several years. We are currently assuming no change to the NICC grant within this budget.

- Excluding Counter Terrorism grant funding, which is ring fenced for specific expenditure, the government does not make available any capital grant to support the capital programme that averages in excess of £281m per year. The Mayor has previously requested that this significant omission be rectified by the Government.

6.5. Because of these issues, significant savings must be achieved by the MPS. The 2024/25 budget assumes a total of £121.4m of savings and efficiencies will be delivered. This is in addition to in excess of £1bn of savings that has already been delivered since 2012/13. Without additional funding, savings of £265.0m would need to be identified to for the unfunded elements of NMfL and address the officer/staff imbalance.

6.6. Despite the 2021 Spending Review providing a three-year settlement until 2024/25, there remain large areas of uncertainty. Funding allocations will emerge with the Provisional Settlement which is expected in December 2023. The funding uncertainties include:

- The Government has confirmed that the total Police Grant will be increased by £550m in 2022/23, £650m in 2023/24 and £800m in 2024/25, cumulatively. For 2025/26 it has been assumed no further increase. For the purposes of this budget submission, it has been assumed that the allocation in future years will be on the same pro rata basis as for 2022/23. Until final confirmation is received, there is a risk that actual funding may be different to that assumed. More information on funding risks is set out later in the report.
- The 2021 Settlement does not provide sufficient funding for policing in London but did provide flexibility to increase the Council Tax Police Precept by £10 per year for the average Band D Council Taxpayer, in 2024/25. As set out in paragraph 6.3, the costs of policing are increasingly falling on local taxation, despite the regressive nature of council tax. The Autumn Statement did not provide any further updates on precept flexibilities for Policing. Whether, or to what degree, this is necessary depends on the Provisional Police Funding Settlement published in December.

6.7. Given these uncertainties, this budget submission is required to make several assumptions, and these are set out throughout the report.

6.8. The 2021 spending review provided the Mayor with flexibility to increase Band D council tax by up to £10 per year. This was increased to £15 in 2023/24. It is currently not known if this current level will continue for 2024/25. Given this uncertainty, this budget submission maintains the assumption used in the Mayor's Budget Guidance of a 2.99% increase.

Expenditure summary

6.9. Officer and staff pay and overtime accounts for 75% of total expenditure, while supplies and services, such as external suppliers, uniforms, utilities and kit, account for 14% and

premises costs for 4%. These figures are subject to change when the PUP funding is allocated across officer pay and other budget lines.

Police Officer Numbers

- 6.10. This budget submission is based upon MPS officer numbers of approximately 34,500 by the end of 2024/25. Of these officers 1,300 are funded directly from Mayoral Council Tax and Business Rates income and have been in place since 2019. It also assumes 500 additional PCSOs compared to the start of 2023/24, as already funded by the Mayor.
- 6.11. The Government is committed to funding the recruitment of 20,000 additional police officers nationally as part of the Police Uplift Programme. Of the 20,000 Home Office Police Uplift investment the MPS received funding for 4,557 additional officers. Whilst the joint MPS and MOPAC ambition was to receive a larger proportion of the uplift (for 6,000 officers), and this remains the case, Home Office funding has only been made available for 4,557 officers. Once recruited this would increase police officer numbers to 35,415. Officer numbers at the end of 2023/24 are estimated to be 34,000 and the budget submission assumes growth of a further 500 officers during 24/25. Whilst this will not achieve the full uplift to 35,415 it is still a highly ambitious recruitment plan against the levels of applications the MPS are currently achieving.

Counter Terrorism Funding

- 6.12. The detail of the funding allocation for the national counter terrorism policing function will be announced as part of the police funding settlement. It should be noted that the Counter Terrorism grants provide a substantial contribution to the overall MPS officer establishment. Therefore, any variation to the level of Counter Terrorism funding would likely impact on the overall officer and police staff establishment and require change to the baselines.

External Factors

- 6.13. This budget submission assumes officer and staff pay will rise by 2.0% in each of the financial years 2024/25 – 2026/27.
- 6.14. However, this assumption is subject to uncertainty and risk. Police officer pay awards are decided by the Government in response to recommendations made by the independent Police Remuneration Review Body (PRRB). These recommendations take into account a variety of factors including: the need to recruit, retain and motivate officers; movements in wider public sector pay, the UK economy and labour market. UK inflation is currently significantly higher than in previous years and is impacting on both pay and non-pay inflation. A +/-1% change in the pay award equates to £35m. Since pay and overtime accounts for 75% of MPS revenue expenditure, small deviations from this assumption can have material consequences for total expenditure.
- 6.15. The cost of pay awards usually must be funded from within the funding envelope set by Government in the annual Police Settlement. This is fixed in cash terms. Therefore, the

revenue risk of funding higher than expected pay awards has been transferred from Government to Police Forces and Police and Crime Commissioners. Funding any costs in excess of the Government's assumed amount will unavoidably require savings elsewhere. It should however be noted that additional funding was provided in 2023/24 due to a higher pay award reflecting the economic climate nationally.

- 6.16. In 2023/24 in recognition of the economic climate an additional £30m non pay inflation was built into the budget, over and above the £10.5m of non-pay inflation normally assumed. In light of the improving economic climate, the budget proposes a reduction of £5.6m in non-pay inflation in 2024/25.

Value for Money, Savings and Efficiencies

- 6.17. In its latest PEEL Inspection, HMICFRS have found that "the force has robust financial management in place". MOPAC and the force are audited jointly by external auditors. The 2021/22 audit report identified no significant weakness regarding the arrangements in place to secure economy, efficiency and effectiveness.
- 6.18. One of the three priorities for 'A New Met for London' is to fix the MPS's foundations and set it up to succeed. We want to build a well-run organisation, one that puts the right resources in the right place, delivering value for money, deploying our resources to better meet demand, and becoming a more efficient organisation. At the same time we need to make it easier for people to do their job. This means listening to the issues MPS's people face and driving improvement across the organisation to free up more time for our officers and staff to get closer to communities.
- 6.19. The MPS has therefore committed to delivering an efficiency programme valued at £120m over the next four years.
- 6.20. Transformation programmes have been developed to deliver efficiency and productivity gains. For example, the Command and Control project will provide an integrated modern digital platform at the heart of the MPS to ensure the most effective and efficient deployment of officers and staff to meet the needs of the public. Also, the CONNECT project will bring together seven existing IT systems making it more efficient for officers to conduct their routine business. Delays in the implementation of these systems are impacting on the ability to deliver all of the anticipated efficiencies and benefits when the programmes were created. New business cases to 'reset' expectations are being developed. For CONNECT this has resulted in the need for additional investment both in the short and longer term. The cost of the reset for Command and Control has not been factored in. It is expected that the financial impact will be understood before the final budget is set.
- 6.21. Further work is ongoing with MOPAC to risk assess the adequacy of reserves to support the S151 Officer(s) S25 statement on the robustness of the estimates and the adequacy of the reserves.

6.22. Separately, MOPAC will be considering whether there are any opportunities to reduce costs and drive out efficiencies through more collaboration.

Budget Gaps

6.23. As a consequence of the funding shortfalls set out earlier in the report and the uncertainty surround Police Grant funding, the proposed budget shows a total funding gap rising from £54.0m in 2024/25 to £246.3m in 2026/27.

6.24. The budget gap excludes additional costs needed for investment to support New Met for London and addressing the imbalance between police officers/staff. Therefore, the total budget gap of £250.1m consists of £70.1m for delivering currently unfunded elements of NMfL, £73.5m to address the imbalance of police staff/officers and £52.5m of savings/re-prioritisation which at this stage cannot be achieved without some impact on services and are required to balance the budget in addition to the remaining £54.0m budget gap. The table below shows a high-level analysis of the budget gaps and savings in the medium term:

	2024-25 £m	2025-26 £m	2026-27 £m
Budget Gap	54.0	198.0	246.3
Investment Requirement – Delivering New Met for London Ambition	196.1	163.9	159.0
Total budget gap	250.1	361.9	405.3

6.25. There is an urgent need for the Government to address the MOPAC/MPS funding shortfalls in order that the budget gap over the coming three years is addressed and that the MPS can achieve reform at the pace originally set out. The Mayor and the MPS will continue to seek efficiency improvements and savings, but since in excess of £1bn gross savings have already been delivered since 2012/13 it will be extremely challenging to close this budget gap by delivering all of this through savings.

Detailed budget figures

6.26. Annex 1 presents the proposed budgets from 2024/25 to 2026/27 and details of savings, efficiencies and pressures. Annex 2 sets out the position to fund the unfunded elements of NMfL and addressing the imbalance between police officers/staff should no additional funding be identified. Annex 1 includes:

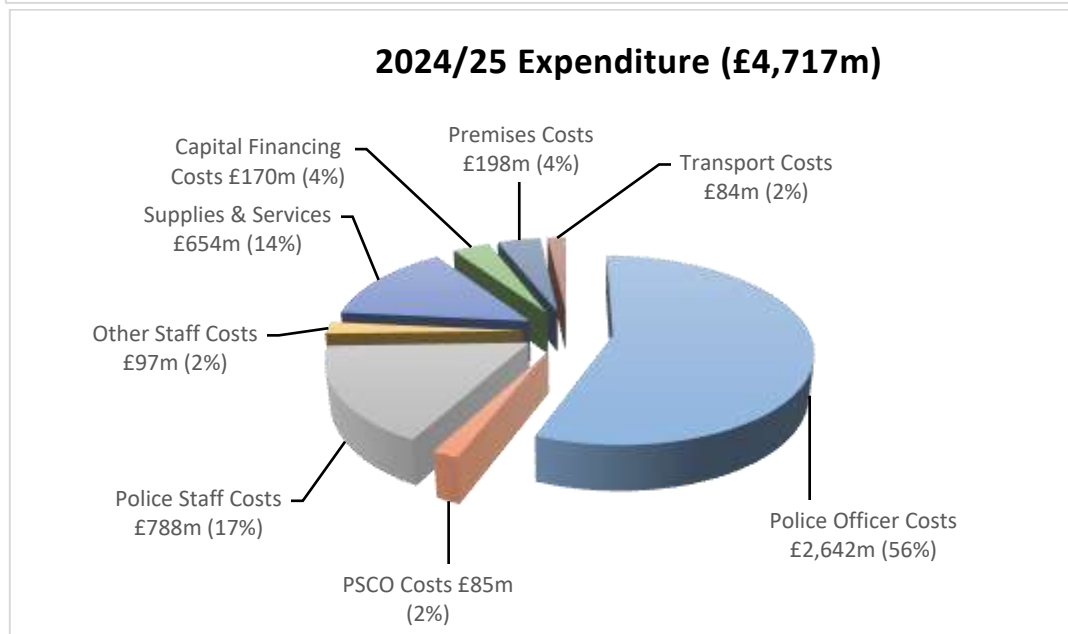
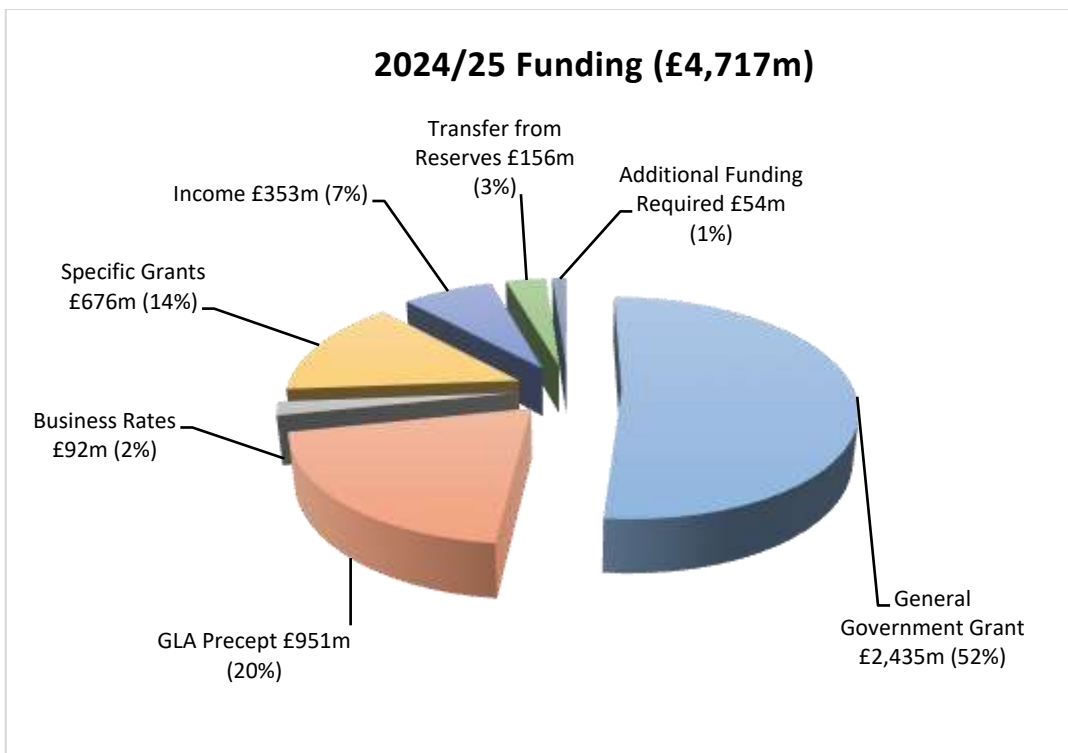
- The 2024/25 proposed budget and forecast budget for 2025/26 and 2026/27. Figures for the 2023/24 revised budget and forecast are provided for comparative purposes. The budgets are presented by subjective analysis (i.e., by cost type) and by business group.
- The gross pressures, savings and efficiencies from 2024/25 to 2026/27. Savings and efficiencies are presented on an incremental as well as cumulative basis, with the

planned savings as identified in the 2023/24 budget submission and the new savings identified in the 2024/25 submission shown distinctly.

- Analysis of changes from the 2023/24 budget to that of 2024/25 explaining the reasons for the movements in budget including inflation, savings and efficiencies and use of reserves.

6.27. Annex 2 sets out the position to fund the unfunded elements of NMfL and addressing the imbalance between police officers/staff should no additional funding be identified.

6.28. The pie charts below illustrate the 2024/25 revenue budget by subjective analysis and different funding streams. Additional charts that show the breakdown between MOPAC and MPS are set out in Annexes 1 and 2.



Funding Formula Review

- 6.29. The Government has begun a review of the national police Funding Formula which is used to determine the allocation of the Police Grant. The MPS is supporting this work through the NPCC. Last time this issue was considered, provisional projections published by the Government suggested the MPS would face very significant reductions to the central government funding they received. Delays in the funding formula review are creating additional uncertainties on future funding for policing.
- 6.30. London is a key driver of the UK economy, and the safety and security of its residents, workers and visitors is key to maintaining this strength. Reducing funding to the MPS would exacerbate the funding shortfalls set out above.
- 6.31. MOPAC will ensure that the views of Londoners are heard by the Government as they conduct this review and will argue forcefully for an outcome which is not detrimental to MPS' financial sustainability.

7. FUNCTIONS MANAGED DIRECTLY BY MOPAC: BUDGET 2024/25 TO 2026/27

- 7.1. The 2024/25 MOPAC revenue budget includes funding allocated to MOPAC itself as well as the MPS. MOPAC is a statutory office established as a Corporation Sole. The Mayor of London is the occupant of that Office and is the London equivalent of an elected Police and Crime Commissioner elsewhere.
- 7.2. The Mayor in his MOPAC role has appointed a Deputy Mayor for Policing and Crime (DMPC), Sophie Linden, to whom he may delegate such MOPAC functions as are not by law reserved to him to exercise. Accordingly, the Mayor has delegated all non-reserved functions to the DMPC.
- 7.3. MOPAC has responsibilities set out in the Police Reform and Social Responsibility Act 2011, including overseeing the MPS, ensuring public accountability and delivering victims services and crime prevention programmes. These programmes include convening partners across the Criminal Justice System for London, commissioning programmes that provide vital services and programmes which tackle violence.
- 7.4. This year has seen the most significant change in how MOPAC exercises its statutory functions in the last decade, with the creation of the London Policing Board. This Board sits at the apex of MOPAC's oversight function and helps to support and challenge the MPS in a transparent and rigorous way. The creation and servicing of this Board is an additional responsibility for MOPAC.
- 7.5. The London Policing Board is a significant change in how MOPAC conducts its oversight of the MPS. Twelve Board members have been recruited to paid positions on this Board, on the basis of their lived experience, skills and expertise ranging from law to economics to community engagement. This will enhance the transparency and rigour of Mayoral

oversight of the MPS, providing challenge and support to them. The cost of establishing and servicing this Board is expected to be £0.4m.

- 7.6. MOPAC commissioning includes innovative pilots which have aided the development of cross-London and cross-sector partnerships and has levered in new sources of funding and not just match funding.
- 7.7. The Ministry of Justice (MoJ) makes available funding every year, from the fund created by the Victim Surcharge to commission and deliver local services for victims of crime. The Victim Surcharge was introduced in 2007 at a flat rate of £15 for those who received a fine. There is now a more complex system with the surcharge varying according to the severity of the sentence (maximum rate at £228 for a long prison sentence) or the value of the fine (40% of the fine up to a maximum cap of £2,000). The resultant fund is used to pay for nationally commissioned services and distributed to PCCs to pay for locally commissioned services using a population-based formula that uses ONS population estimates.
- 7.8. The allocation formula does not, however, recognise the concentration of crime in London nor the additional cost of delivering policing and other services. It should be a priority for the MoJ to address the scale of this funding as well as the method of allocation for the sake of victims of crime and to avoid pressure on locally funded services. In line with the 2021 spending review the 2024/25 budget includes the assumption of £22.2m of grant funding from the MoJ. If a higher level of funding is made available, then delivery plans will be re-scoped accordingly.
- 7.9. The London Crime Prevention Fund (LCPF) enables MOPAC to support local victim support and crime prevention activity within London boroughs. This accounts for £13.1m of MOPAC expenditure in 2024/25.
- 7.10. The proposed total MOPAC revenue budget in 2024/25 is £129.1m which includes £38.4m of budget allocated to the work of the Violence Reduction Unit (VRU). The proposed budget is net of use of funding from the Police Property Act Fund (PPAF) and external income received for MOPAC's provision of internal audit services to other GLA Group organisations. The budget proposed is a decrease of £10.5m from the 2023/24 Q2 Budget position (of which £4.7m relates to MOPAC and £5.7m to VRU). Further detail on the VRU is included in Section 8.
- 7.11. In support of Mayoral Priorities and Manifesto commitments, the 2024/25 budget includes: -
 - Continued investment of £1.5m in support of the Mayor's Action Plan. This was published in November 2020 to improve trust and confidence in the MPS and to address community concerns about the disproportionality in the use of certain police powers affecting Black Londoners. The funding will be used to develop greater community involvement in police officer training and in recruiting and progressing Black officers in the MPS.

- Funding in support of the Shared Endeavour Fund of £1.0m. This will provide even more grants to projects which identify opportunities to counter violent extremism in London.
- Further investment on the Rescue and Response programme of £1.8m to better understand, target and respond to County Lines offending and victimisation and proposals to develop a Drugs Commission.
- Ongoing investment in London Gang Exit of £1.9m to support young people across London affected, associated or affiliated with gang related issues or serious youth violence services young people at risk of, or engaged in, serious violence.
- Investment to support delivery of the Mayor's refreshed Violence Against Women and Girls Strategy (VAWG) totalling £17.8m. This includes funding from a variety of sources to programmes preventing or supporting victims of violence against women and girls and women's safety including supporting the work of the Night Czar.
- £2.0m monies from the Mayoral allocation for services commissioned from MPS to support Project ADDER.
- Within the Oversight and Accountability budget the following has been provided for:
 - An increase in staffing in the Complaints Review Team in order to fulfil our statutory oversight obligation to, upon request, review complaints made against the MPS there has been. This follows an internal review of demand and will right size the team and ensure reviews are conducted more swiftly, providing a better service to the public.
 - A budget increase of £1.2m for the work of MOPAC Evidence and Insight Team. As an organisation which continues to put evidence at the heart of its work this reflects:
 - The higher costs of the new contract for work related to surveys and linked work such as the public attitude survey that is recommended as national good practice.
 - The creation of a new data science team. The work of Evidence and Insights is central to MOPAC's work in helping challenge and support the MPS in responding to both the report by Dame Louise Casey and the Engage process being overseen by HMICFRS. This proposal will be reviewed alongside data initiatives in the MPS to ensure the most economic and effective approach.
 - Increased expenditure of £0.6m to support enabling corporate functions and ensure that MOPAC is meeting its statutory requirements. Of this, £0.3m relates to increased capacity to support financial oversight and £0.3m relates to corporate functions for which there is currently no provision, or which need more capacity, including business planning, and information governance.
 - A review of Appropriate Adult provision is underway which is likely to identify a funding gap. This potential pressure and the options for funding will need to be considered as part of the next phase of the budget.

7.12. The 2024/25 MOPAC proposed expenditure budget (net of other income totalling £4.7m relating to PPAF (Police Property Act Fund) usage, shared service audit fees and other

income) and funding is set out below. Further work will be carried out before the final budget is set to identify further efficiencies.

Draft Expenditure Budget 2024/25		
	£m	%
Budget Requirement:		
Victims Services and Crime Prevention	80.4	62%
Oversight and Accountability	8.8	7%
Shared Audit Function	1.6	1%
Total MOPAC	90.7	70%
Violence Reduction Unit (VRU)	38.4	30%
Total Budget Requirement	129.1	100%
Estimated Funding 2024/25:		
Precept and Police Grant	-72.3	56%
Specific Grants	-35.3	27%
Use of Reserves	-21.6	17%
Total Budget	-	100%

7.13. Earmarked reserves totalling £21.6m will be used to fund multi-year commissioning programmes, one-off costs and for budget smoothing. These figures include carry-forward values as at Quarter 2 of the current 2023/24 financial year.

Medium-Term Financial Plan 2023/24 to 2026/27

7.14. The table below shows the MOPAC budget over the Medium-Term Financial Plan period. The revised budget reduces by £27.9m between 2023/24 to 2026/27. The budget for 2026/27 includes assumed savings totalling £5.7m which are yet to be identified.

Medium Term Financial Plan 2023/24 - 2026/27				
	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
Victims Services and Crime Prevention	83.6	80.4	72.4	67.0
Oversight and Accountability	7.2	8.8	8.9	8.2
Shared Audit Function	1.5	1.6	1.5	1.5
Total MOPAC	92.3	90.7	82.7	76.6
Violence Reduction Unit	41.2	38.4	29.9	28.8
Total Budget Requirement	133.4	129.1	112.6	105.5

- 7.15. The reduction in expenditure is being driven by a combination of factors including, the reprofiling of project delivery funded through reserves (£10.4m), change in the use of budget resilience (£4.5m), reduction in the use of budget smoothing reserves (£2.3m), one off funding from the Home Office for Operation Soteria and Violence Reduction Unit projects ending in 2023/24 (£3.8m).
- 7.16. MOPAC’s oversight costs, for 2024/25, as a proportion of the MPS Gross Expenditure budget remain at 0.2%. They are 7% as a proportion of the MOPAC gross budget.

8. VIOLENCE REDUCTION UNIT

- 8.1. The London Violence Reduction Unit (VRU) is tackling violence through a programme of investment, partnership with community and public sector organisations, policy advocacy, developing research and data, and critically, putting London communities and young people at the heart of its preventative and public health approach.
- 8.2. The VRU work programme and investment is shaped around activity that reflects and is relevant to the journey a child – that includes roles of parents, schools, communities, and peers. We measure the outcomes of our investment in prevention and early intervention across five Priority Areas. We use insight, evidence and gather intelligence about what works and what doesn't by working with and alongside communities. This will ensure our support and our investment works to tackle structural barriers to inequality and that all young people have access to the opportunities they deserve. The categories below interconnect and all aim towards prioritising support for young people.
- Children and Young People – Reducing harm.
 - Children and Young People – Positive opportunities
 - Families – Supporting stronger families.
 - Education Settings
 - Communities and Place
- 8.3. Commissioning activity from 2023/24 centred around the above priorities. The table below provides expenditure and funding over the medium term from 2024/25 to 2026/27. (Note the Specific Grant £9.4m funding in year 2025/26 and 2026/27 is an assumed Home Office grant award. Currently the Home Office has confirmed funding up to and including year 2024/25).

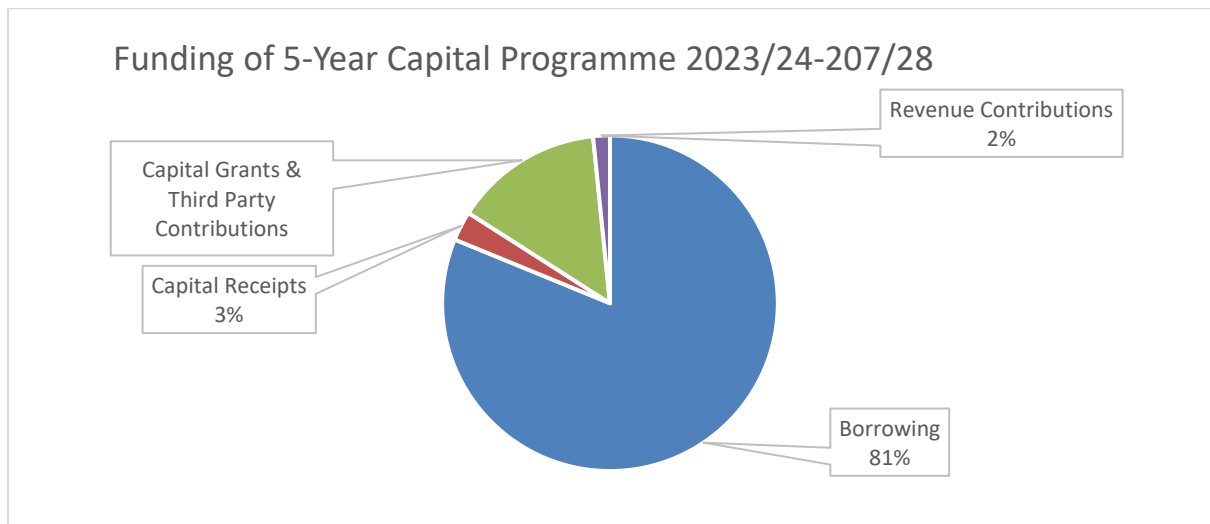
VRU - Medium Term Financial Plan 2023/24 - 2026/27			
	2024/25	2025/26	2026/27
	£m	£m	£m
Expenditure Budget	38.4	29.9	28.8
Funding Source:			
GLA Precept	17.5	17.5	17.5
Home Office Grant	10.3	9.4	9.4

London Crime Prevention Fund	1.6	1.6	1.6
Use of Earmarked Reserves	8.9	1.4	0.4
Total Funding	38.4	29.9	28.8

- 8.4. The plans above show expected VRU spending over the medium-term and includes ongoing Mayoral funding £19.1m. It includes a confirmed allocation of core Home Office funding of £9.4m in 2024/25 and an assumed allocation of £9.4m in 2025/26 and 2026/27; as well as an allocation of Serious Violence Duty grant funding from the Home Office of £0.9m in 2024/25 only. The earmarked reserves draw down reflect the prudent profiling of some programmes to enable multi-year funding. This is in keeping with the rationale for setting up the VRU to explore longer term approaches towards violence reduction, for more sustainable change. This view has been further enhanced by listening to community organisations and by the VRU’s neighbourhood research, which found that short-term funding and pilot schemes can sometimes cause more harm to communities than good.
- 8.5. The Mayor’s budget continues to ensure that the VRU has a three-year funding allowance going forward. Following the spending review, the Home Office confirmed that their allocation to the VRU would reduce in 2023/24 and 2024/25. To offset the reduction of core Home Office grant funding the VRU have produced a budget strategy to ringfence reserves from Mayoral funding to ensure that longer-term funding invested in communities and grassroots organisations is not affected or impacted; we have increased this investment.
- 8.6. The London Crime Prevention Fund (LCPF) Co-commissioning Fund continues to support the work of local authorities to develop multi-agency local violence and vulnerability reduction action plans and from which it draws best practice on how to address violence and its root causes. Furthermore, these plans will support the delivery of the Serious Violence Duty in all 32 boroughs going forward. This budget has increased over time and the MTFP assumes this budget now stands at £4.5m in each year funded via Mayoral and Home Office funding. To further support early intervention and local violence prevention the Mayor has announced a further £9m investment into the award-winning My Ends programme across London over the next 3 years.
- 8.7. There has been increased investment around Education for the next 3 years including an Inclusive and Nurturing school programme, programmes to support and aid delivery of our inclusive charter a PRU mentor programme and an After Schools programme. There has also been an ongoing high level of interest in the Critical Incident Fund (CIF) which is a further local investment from the Mayor. The CIF is there to provide boroughs and local communities with resources and investment following a critical incident. Boroughs across London have asked for this funding to support mentoring, detached youth work & community support events. We have expanded this fund further in 2023/2024 to also include preemptive CIF opportunity to help reduce tensions and prevent violence.

9. CAPITAL BUDGET

- 9.1. This budget continues to deliver an ambitious capital programme for the MPS. This will enable significant transformation to ensure the MPS can meet demands of policing, including vital renewal of IT; improving the use of space on the estate, contributing to the reduction in carbon emissions, a more efficient operational capacity, and funding to significantly enhance the MPS forensics provision. There is provision for planned energy efficiency works and activities, which with Public Sector Decarbonisation Scheme (PSDS) funding, will help to reduce carbon emissions, but the full costs of Net Zero Carbon 2030 are not included in these estimates as the cost of these and the funding arrangements are being taken forward by the GLA as part of the carbon budget process. Programmes within the proposed capital programme have been selected and prioritised by reference to MPS's Transformation Portfolio. This amounts to a £1.4bn investment programme over the 5-year period 2023/24 to 2027/28 - see Annex 1 for full detail.
- 9.2. The MPS has reviewed and challenged both the quantum of proposed capital investment for each area of spend, the prioritisation of the proposals to ensure these are consistent with the Police and Crime Plan, and the phasing of the proposed spend to ensure that the organisation has the capacity and capabilities to deliver.
- 9.3. In developing the capital budget, the need for borrowing has been considered. As the opportunity to generate capital receipts reduces there is an increasing reliance on borrowing in the current capital programme. The additional cost on the revenue budget caused for capital financing has been reflected in the revenue budget, the affordability of which will need to be considered before the final budget is set.
- 9.4. This expenditure will be funded through a contribution from capital receipts, capital grants and third-party contributions, revenue contributions, and borrowing. As the MPS estates transformation matures, the opportunity for capital receipts reduces and the need for borrowing increases.
- 9.5. Excluding Counter Terrorism grant funding, which is ring fenced for specific expenditure, the Government does not make available any capital grant to support the capital programme. This is despite vocal calls from the Mayor and forces across the country for the Government to increase capital funding for the police.
- 9.6. The borrowing requirement for 2024/25 is £254.3m. This represents 81% of the capital financing in 2024/25 rising to 86% in 2027/28 and is a substantial increase in the proportion of capital funded through borrowing than in previous years. On average, as set out in the pie chart below, the level of borrowing over the 5 years is 81%. The increased reliance on borrowing will increase the cost of capital financing, which is funded from the revenue budget and in turn create pressures on already stretched resources, crowding out revenue expenditure on operational priorities.



9.7. MOPAC/MPS will publish a draft Capital Strategy in line with CIPFA’s Prudential Code requirements. The draft Capital Strategy will outline the MPS’ capital investment ambition and will form part of the GLA Group-wide Capital Strategy published with the Mayor’s 2024/25 budget. The Capital Strategy will outline the 5-year capital programme as well as the wider 20-year Capital Ambition.

10. TREASURY MANAGEMENT

10.1. Effective treasury management underpins the achievement of MOPAC/MPS business and service objectives. It is also essential for maintaining a sound financial reputation. MOPAC/MPS is committed to driving value from all of its treasury management activities, which it does through the GLA Shared Service for Treasury Management.

10.2. MOPAC/MPS measures and manages its exposures to treasury management risks using Prudential Indicators which are set out in Annex 3.

10.3. Additional income of £13.0m, over and above the current budget, has been built into the 2024/25 budget. This is based on an assessment of cash balances and interest rates for the coming year. Similarly, revenue borrowing costs have been calculated based on the anticipated expenditure profile of the capital programme and the planned reduction in reserves which means that the need for additional borrowing will increase revenue capital financing costs in 2024/25 by £26.7m.

11. RESERVES

11.1. When reviewing the medium-term financial plans and preparing the annual budgets the establishment and maintenance of reserves should be considered. Under statutory roles MOPAC will hold a general reserve but also earmarked reserves. These can be held for four main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves.

- A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves.
- A means to respond to uncertainty in the economic climate and provide assurance on the safety of the MOPAC’s financial assets. This would link closely with the Treasury Management and Prudential Code Strategy - this also forms part of general reserves.
- A means of building up or setting aside funds for specific purposes – these are known as Earmarked Reserves.

11.2. The MOPAC/MPS forecast reserves balances and their planned usage over the MTFP period are set out in the table below:

Groupings	Closing Balance	Forecast Usage	Closing Balance	Planned Usage	Closing Balance	Planned Usage	Closing Balance	Planned Usage	Closing Balance
	2022/23	Q2 2023/24	2023/24	2024/25	2024/25	2025/26	2025/26	2026/27	2026/27
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Supporting Local Change	44.3	-30.9	13.3	-7.3	6.0	-5.7	0.3	-0.2	0.1
Managing the Budget	59.7	-28.3	31.4	-31.4	0.0	0.0	0.0	0.0	0.0
Business Group Initiatives	2.3	-1.5	0.8	-0.4	0.4	-0.3	0.1	-0.1	0.0
Operational Costs	105.1	-74.8	30.3	-16.7	13.6	-5.6	8.0	-4.4	3.6
Historical Public Inquires	2.2	-1.0	1.2	-1.0	0.2	-0.2	0.0	0.0	0.0
Managing Officer FTEs	23.1	0.0	23.1	-23.1	0.0	0.0	0.0	0.0	0.0
Insurance	6.7	-6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property	61.8	-13.0	48.7	-8.2	40.5	-9.5	31.0	-7.6	23.4
Vetting Delays	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other earmarked (POCA) Specifically Funded for	11.4	-0.5	10.8	-1.9	8.9	-1.8	7.1	-0.6	6.5
Third Parties	13.4	0.6	14.0	-13.6	0.3	-0.3	0.1	-0.1	0.0
Business Rates	60.0	-30.0	30.0	-30.0	0.0	0.0	0.0	0.0	0.0
Contribution to the Council Tax deficit	6.6	-6.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MOPAC Earmarked	52.1	-17.8	34.3	-21.6	12.8	-8.2	4.6	-0.6	4.0
Total earmarked reserves	448.7	-210.7	238.0	-155.2	82.8	-31.6	51.2	-13.5	37.7
General Reserves	46.6	0.0	46.6	0.0	46.6	0.0	46.6	0.0	46.6
Total	495.3	-210.7	284.6	-155.2	129.3	-31.6	97.7	-13.5	84.3

11.3. Earmarked reserves will be drawn down to match the related planned expenditure profile. The most notable drawdowns are the c £30m p.a. in 2023/24 and 2024/25 from the Business Rates reserve for the 1,000 police officers which the Mayor provided upfront funding for in 2019/20 to ensure that police officer numbers could be maintained over the medium-term. Funding until 2024/25 is available from this reserve.

11.4. Elsewhere reserves are used for a number of one-off purposes including supporting the Transformation Programme and local change activities, supporting the Estates’ Transformation Programme and a number of initiatives within Business Groups. Reserves

have also been used to support NMfL activities. Reserves are kept under review and usage may fluctuate depending on the financial position at any given time. Current plans, as outlined in the table assume drawdown of over £411.0m over 2023/24 – 2026/27 leaving a closing balance of earmarked reserves of £37.7m at March 2027.

- 11.5. The total General Reserve now stands at £46.6m. This represents 1.1% of the Net Revenue Expenditure for MOPAC/MPS. During, and by the end of the MTFP period, the General Reserve balance remains below the PCC average of 3.1% and below the recommended 2-3% as set out in the proposed draft reserves strategy. To remain financially resilient, strong controls around the use of reserves need to be in place and an active approach to building back reserves is required. In light of the economic climate and the uncertainty over inflation and the potential impact on pay awards, the level of general reserves will be reviewed as part of the final budget submission. A review of risks will inform the level of general reserves set.

12. EQUALITIES IMPLICATIONS

- 12.1. It is essential that decision makers ensure that consideration is given to legal obligations, in particular the need to exercise the equality duty under the Equality Act 2010, to have due regard to the impacts based on sufficient evidence appropriately analysed. The public sector equality duty is that a public authority must, in the exercise of its functions, have due regard to the need to: (1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. What the duty requires is consideration of all available information, including the potential impacts and mitigations to ensure a fully informed decision is made. Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded.
- 12.2. This budget sets out how resources will be allocated in support of the Police and Crime Plan.
- 12.3. Central to the Police and Crime Plan is the Mayor's Equality, Diversity and Inclusion Strategy, 'Inclusive London', which sets out key inequalities affecting the lives of Londoners. This strategy drives work on equality and inclusion, including race equality, with a range of projects, programmes and policies that, in addition to policing, span education, health and civil society. GLA community engagement and advisory functions provide expertise on race equality to bring insight and shape to MOPAC's work. These include the Mayor's Equality, Diversity and Inclusion Advisory Group, the Migrant and Refugee Advisory Panel and civil society partner organisations.
- 12.4. In allocating resources due consideration has been made to legal obligations, in particular the need to exercise the equality duty under the Equality Act 2010, to have due regard to the impacts based on sufficient evidence appropriately analysed.

- 12.5. MOPAC continues to work closely with the GLA Group on the implementation of 'Inclusive London' and the Mayor's commitment to economic fairness. The Metropolitan Police Commissioner is a member of the GLA's London Partnership Board which is addressing a number of the Mayor's diversity priorities including to narrow social, economic and health inequalities, and to support communities most impacted by the pandemic.
- 12.6. MOPAC's plans are underpinned by a commitment to inclusion, diversity, equality. The risks of offending and victimisation change in nature as people age. The budget includes resources to increase the safety and confidence of young people and adults in London, recognising the different specific needs and risks for Londoners at different stages of their lives. Proposals include investment to prevent and reduce violence affecting young people, reduce offending behaviour, improve the service and support that victims receive from the MPS and the criminal justice service, and increase public trust in the MPS.
- 12.7. The budget includes comprehensive measures to reduce serious violence, crimes that disproportionately affect Black Londoners particularly. The allocation of resources also underlines the Mayor's commitment to ensuring that Londoners of all races have confidence in the police, receive a high-quality service from the justice system and that ethnic disproportionality is identified, addressed and includes investment to deliver the Mayor's Action Plan for Transparency, Accountability and Trust in Policing and the MPS new Strategy for Diversity, Inclusion and Engagement.
- 12.8. Resources have been included to strengthen enforcement against the perpetrators of hate crime and to improve the support available to victims of these offences. This includes investment in disability hate crime, transgender hate crime offences, racist hate crime, sexual orientation hate crime offences and hate crime linked to religion and belief all of which are increasing.
- 12.9. There are significant differences between genders in relation to victimisation and offending. In particular the budget recognises the scale and harm of violence against women and girls, providing funding from a variety of sources to programmes preventing, or supporting victims of violence against women and girls (in support of VAWG) and women's safety including supporting the work of the GLA Night Czar.
- 12.10. The Culture, Diversity and Inclusion framework will represent the MPS' strategic approach to delivering CDI related commitments set out within the 'New Met for London' plan. The future CDI framework comprises of eight thematic areas, London Race Action Plan, Gender, LGBTQ+, Disability, Faith and Religion, Culture, Confidence and Legitimacy and Wider Strands. With the exception of the London Race Action Plan, an action orientated action plan for each delivery thematic will be created. These will comprise of three internal and three external objectives with an expectation of delivery over a six-to-twelve-month period.
- 12.11. Once complete, objectives will be replaced to provide a sequential build of CDI related activity across the MPS which can be clearly demonstrated internally and externally. To ensure a pan-organisational commitment to culture, diversity and inclusion, all Basic and

Operational Command Units (BCU/OCU) will be required to have local CDI Actions Plans. These plans are aligned to the delivery and accountability thematics and will contain a combination of force and local objectives.

- 12.12. The third component of the new framework is bespoke CDI performance and management information to monitor progress against New Met for London CDI related commitments, monitor the progress and delivery of thematic and local action plans, provide both holistic and granular insights on culture, diversity and inclusion within the MPS.
- 12.13. The Culture, Diversity and Inclusion Group will provide overall strategic coordination and oversight for the realisation of culture, diversity and inclusion commitments set out within legislation and the New Met for London plan. The Thematic Delivery Groups will be responsible for the design and delivery of force actions plans as well as commissioning taskings for local delivery groups.
- 12.14. The primary activity of the Confidence and Legitimacy Group will be to providing effective challenge scrutiny of the disproportionality, organisational health metrics and the use of coercive police powers whilst the CDI Design Authority will have pan-MPS responsibility for the design and commissioning of organisational and learning and development initiatives relating to culture, diversity and inclusion.

13. ENVIRONMENTAL IMPACT

- 13.1. The MPS has an environment and sustainability programme in place to ensure the Mayor's Office for Policing and Crime complies with UK environmental legislation. The level of ambition and delivery of this programme is depending on further funding made available to achieve the scale of ambition required. This programme aims to drive the continual improvement of environmental performance at an organisational level. The MPS activities to deliver 'sustainability outcomes' are aligned to the Environment policy and Environment & Sustainability strategy objectives as well as commitments under the London Environment Strategy.
- 13.2. More recently the MPS has developed an Estate Heat Decarbonisation plan to improve the phasing of sites for future investments while implementing NZC measures as part of funded and approved schemes where opportunities arise. The MPS is part of the GLA's Net Zero 2030 working group, reporting monthly on progress in planning for the 2030 target.
- 13.3. Working together MOPAC and the MPS has successfully applied for Public Sector Decarbonisation Scheme (PSDS) grant funding. This has already achieved the decarbonisation of four sites, has work in progress for a further 15 sites – total value c£30m, and an application for a further tranche of PSDS funding of £15.6m to decarbonise a further 19 sites has been submitted, the outcome of which is awaited.
- 13.4. MOPAC's and MPS's commitment to the air quality policies in line with the London Environment Strategy has ensured that the MPS's fleet based within the Ultra Low

Emission Zone (ULEZ) is fully compliant. This includes a temporary MoU, signed with the GLA, including the temporary exemption of legacy vehicles within the now extended ULEZ zone, prior to them being replaced by September 2024. The fleet now includes over 1,000 electric, hybrid or hydrogen vehicles. By 2025, the expectation will be for the general purpose fleet of over 800 vehicles to be hybrid and the MPS will seek to ensure that all new vehicles purchased beyond 2025 will be either hybrid or fully electric.

- 13.5. In line with the GLA budget guidance and the Mayor's aspiration of achieving Carbon Net Zero by 2030, an approach that responds to the London Climate Budget has been produced and is set out below.

14. RESPONDING TO THE LONDON CLIMATE BUDGET

- 14.1. The Mayor has set an ambitious target of making London net zero carbon by 2030. This section sets out the position on the scope involved, the work in hand, and the actions and potential costs to address this challenge.
- 14.2. The Police and Crime Plan states: "In line with Mayor's aspiration of achieving Carbon Net Zero by 2030, investment plans will be reviewed with an aim of accelerating the delivery of the three key areas in estates that have the most significant impact: power purchasing; replacement of fossil fuels to heat buildings as well as improving insulation; and roll-out of an electric car charging network."

'Replacement of fossil fuels to heat buildings as well as improving insulation'

- 14.3. Since April 2021, the MPS has spent £3.8m on discrete decarbonisation projects and energy efficiency measures reducing carbon emissions by 273 tonnes CO₂e. The MPS has, by leveraging in external grant funding, c. £26m of projects underway decarbonising 15 buildings which will be completed over the next 18 months, further reducing carbon emissions by 1,542 tonnes CO₂e. Together these initiatives will reduce our gas related carbon emissions by c.11%.
- 14.4. The GLA has awarded the MPS a grant of just under £1m to develop an innovative design for decarbonising its largest building – the 45,000 sq. m 30 storey Empress State Building; the MPS will look to work with the neighbouring developer, the Earls Court Development Company, to consider ways of connecting the building into their proposed substantial heat network serving 4,500 proposed new homes.

'Roll-out of an electric car charging network'

- 14.5. Around 50% of the MPS carbon emissions derive from its vehicles; the MPS drives 150,000 miles every day. Its vehicles are standard road cars which are then modified. The uncertainty around the timetables for the replacement of combustion engine vehicles and the slow roll out of an ultra-fast charging network is hampering planning for conversion to Electric Vehicles.

- 14.6. The MPS has undertaken analysis of the types of chargers it requires to charge both its 24/7 high mileage response fleet and its lower mileage general purpose and specialist fleet. In summary, when converted to EV, the MPS will use over 100MWh every day with each response vehicle needing to charge at least once per day for around 30 minutes. To service this, it is estimated that, the MPS will need access to around 50 locations that provide ultra-fast charging (150kW or above) spread across London that are reliable and without needing to queue (which would lead to response vehicles being unavailable for despatch to an emergency). Such a network is prohibitively expensive to roll out on a private basis. The MPS is establishing a specialist team to work with the GLA environment team and other blue light organisations to develop a design based on a predominantly public network with some private back-up.
- 14.7. This team, funded within Table A (Project Electra), will consider a balanced solution across the 'trilemma' where a positive solution to one may provide an unacceptable outcome to another. The three areas are:
- a) Type and capacity (charge, load, speed) of electric vehicles or other form of transport (car, bike, moped etc).
 - b) Availability and reliability of chargers (capacity and queues) – maximising use of public chargers to minimise capital requirements for a private network.
 - c) The need to change operational processes to reflect (a) and (b) whilst ensuring operational performance targets are not compromised.
- 14.8. As part of that strategy and options analysis, a phased approach with strategic milestones will be established reflecting the risks associated with the timing of the roll out of EVs (including the uncertainties of manufacturer availability) and the lead times for the roll out of chargers to the estate where required (lead times can be up to three years where power is not locally available).
- 14.9. In addition, the team will consider the changes required to operational processes to support the new technology as well as redesigning the resilience back-up network which currently relies on holding 10 days of petrol/diesel in strategic fuel reserves.
- 14.10. MOPAC's and MPS's commitment to the air quality policies, in line with the London Environment Strategy, has ensured that the MPS's fleet based within the Ultra-Low Emission Zone (ULEZ) remains fully compliant. This includes a temporary MoU, signed with the GLA, including the temporary exemption of legacy vehicles within the now extended ULEZ zone, prior to them being replaced by September 2024. The fleet now includes over 1,000 electric, hybrid or hydrogen vehicles. By 2025, the expectation will be for the general-purpose fleet of over 800 vehicles to be hybrid and the MPS will seek to ensure that all new vehicles purchased beyond 2025 will be either hybrid or fully electric.

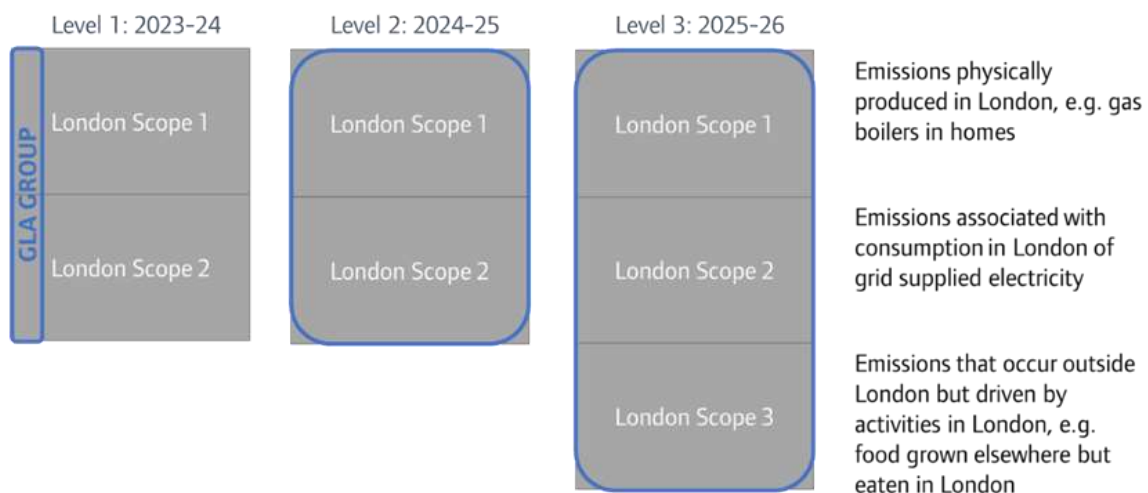
'Power Purchasing'

- 14.11. The MOPAC and MPS has been engaged in the GLA Group collaborative Power Purchase Agreement (PPA) initiative during the course of FY 2023/24, attending both the Collaboration Working Group and Collaboration Steering Group meetings.
- 14.12. MOPAC and the MPS will continue to work with TfL and the other GLA Group members to ensure that our purchase of electricity is increasingly zero carbon, following the initial PPA that is being secured by TfL.
- 14.13. Depending on the outcome of the TfL-only PPA, and potential changes in market conditions, the MPS will be in a position to re-visit the collaboration in due course. It is expected that other PPA opportunities may also become available in the interim, for example through CCS. The MPS has commissioned an external review which, when completed, will represent a valuable resource to inform future PPA decisions. The impact of delaying this procurement is low, as can be seen when comparing the Figures 2b and 3 below.

Scope

- 14.14. The GLA has set levels of reporting and scopes of emissions for each of the next 3 financial years. For 2024/25 reporting at Level 2 is required and incorporates Scopes 1 and 2. This climate budget includes actions to reduce emissions and climate adaptation actions for the MPS estate and fleet, as well as for parts of the city outside our own estate and fleet. Reporting in future years will develop and be enhanced as set out in Figure 1 below. This submission is consistent with the GLA's guidance for Level 2 emissions (see Figure 1).

Figure 1: Levels of reporting and scopes of emissions



Future Level 3 reporting (including Scope 3)

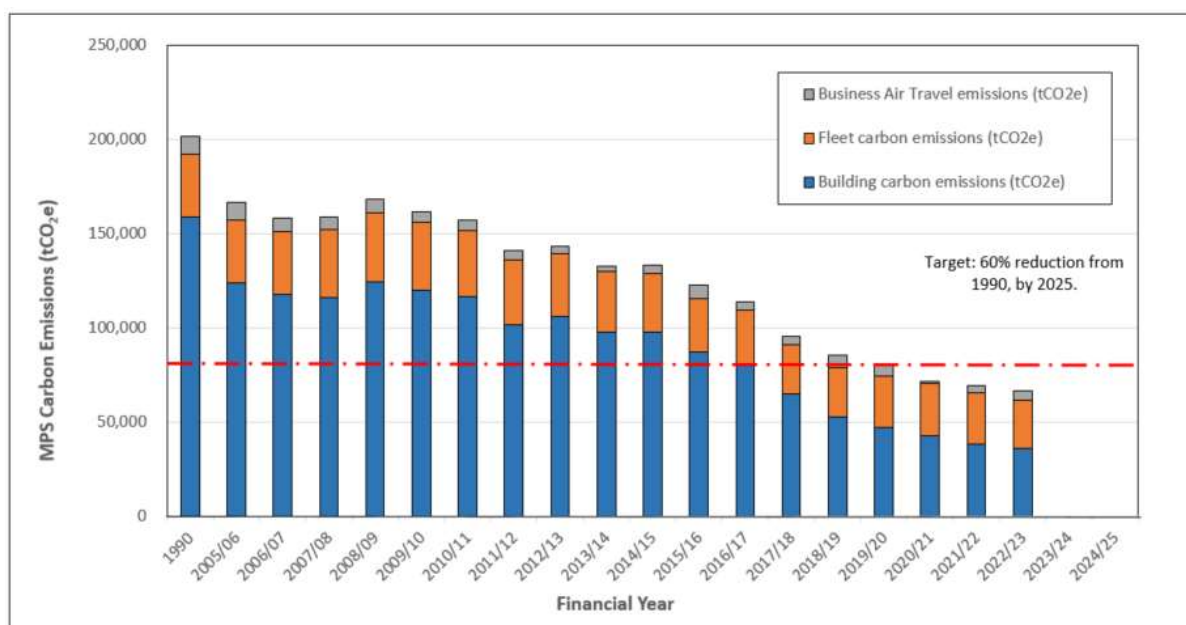
- 14.15. In preparation for 2025/26 reporting, the MPS has communicated future Scope 3 reporting requirements to key stakeholders and set relevant targets in the Sustainability

Management Plan. The MPS has discussed with consultants a scope of work to re-baseline the MPS Scope 3 emissions. Initially, this will be assessed on an expenditure basis, and using direct measurements wherever possible. The intention beyond this point is to identify areas for scope 3 carbon reduction and work with the supply chain to implement carbon reduction measures on a prioritised basis, and subject to resource. The start date for this work is subject to security clearance requirements.

Greenhouse Emissions

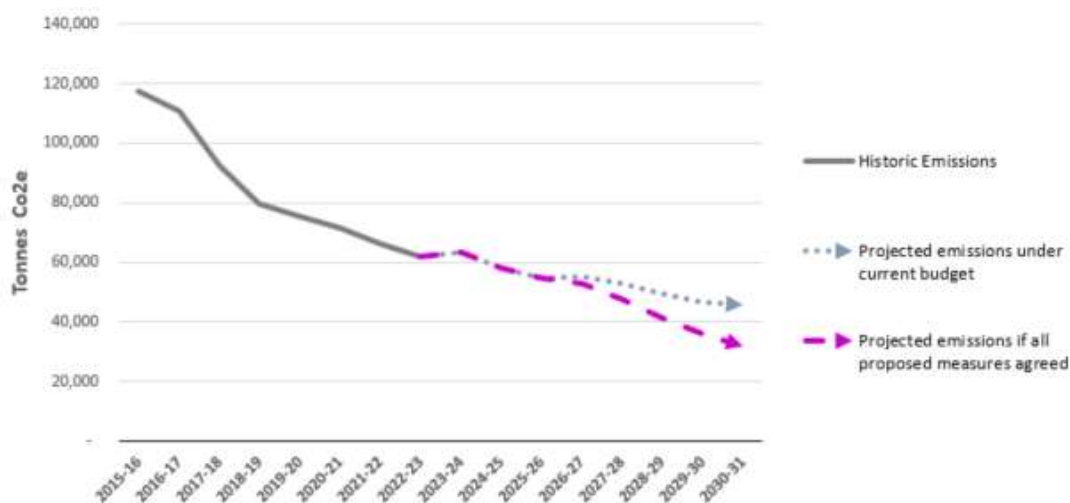
14.16. Historic emissions are shown in Figure 2a below, which represents Scope 1 and Scope 2 reporting requirements, as the MPS historically reported them, and also included Scope 3 business air travel emissions. The MPS achieved the historical GLA group target, for a 60% reduction in emissions by 2025, five years early. The current forecast, according to the GLA guidance, excludes business air travel, and the current forecast now includes Scope 1 Fluorinated Gas emissions. The MPS do not offset emissions from business air travel.

Figure 2a: Historic Reported Emissions



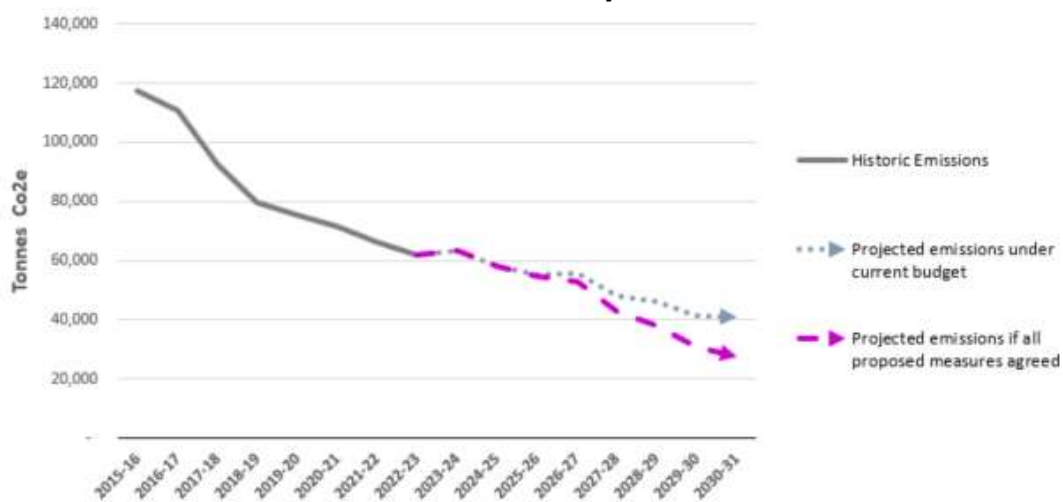
14.17. Figure 2b (based on national grid electricity decarbonisation forecasts) and 3 (where a Power Purchase Agreement, PPA, is completed) below show the historic and forecast emissions for the MPS. The graphs below set out what can be achieved through costs that are budgeted and for those for which funding is yet to be confirmed/identified. It should be noted that the temporary rise in emissions for 2023/24 arises from the UK wide electricity grid emissions reporting factor increasing by 7%, which similarly affects all reporting organisations across the UK.

Figure 2b: Forecast Carbon Emissions, based on forecasts for decarbonisation of the National Grid.



14.18. Figure 3 below shows forecast emissions with the MPS securing 80% zero carbon electricity through a series of Power Purchase Agreements, which is dependent upon the GLA group PPA procurement project and it is demonstrating value for money. It should be noted that use of a PPA in managing exposure to volatile wholesale market prices will also affect the preferred volume the MPS does or does not secure via a future PPA. The carbon reduction impact of a PPA procurement, relative to the decarbonisation of the National Grid alone is low.

Figure 3: Forecast Carbon Emissions, **with Table B's PPA procurement.**



14.19. Based on funding being available (for both budgeted and unbudgeted requirements), the MPS's estimated residual emissions are 31,854tCO₂e, as can be seen in Figure 2b, an 83.7% reduction to 1990 baseline emissions at 2030 (the target date for decarbonisation of heat in buildings), and 11,535tCO₂e, or 94.1% reduction to 1990 baseline emissions at 2035 (the accelerated target date for the replacement of fleet).

Summary of current climate measures underway and progress in delivery

14.20. A number of properties have been withdrawn from the estate disposal list pending the outcome of the development of the MPS/MOPAC Estate Strategy resulting in the associated carbon emissions being added back into the estate measurements as set out in the graphs above. In addition, the boilers in one significant building failed requiring immediate replacement with new gas boilers as there was no time to design the technical solution and seek the necessary planning permission. Measures implemented in previous budget year (2023-24) include:

- Continued the estate wide LED replacement programme.
- Completed four (PSDS 2 and PSDS 3a) projects, with one in flight, costing c.£4.8m
- Started fourteen started (PSDS 3b) projects, with forecast costs of c.£25m.
- Submitted bids for (PSDS 3c) 19 projects, to deliver a further 14% of gas emissions savings, with forecast costs of c.£58m.
- The GLA agreed c. £1m funding for the decarbonised design of Empress State Building
- Commencement of Project Winston, vehicle telematics rollout
- Initiated the fully electric Incident Response Vehicle trial.

Measures expected to be completed in the next financial year include:

- Completion of PSDS 3b projects
- Commencement, if successful, of the PSDS 3c programme
- Continuation of the estate wide LED replacement programme
- Ongoing Building Management System Optimisation Interventions
- Commencement of the detailed EV charging assessment and operational process change review.
- Continuing the installation of vehicle telematics

Potential gap in funded actions required to deliver net zero by 2030

14.21. There will be a significant gap in funding required to meet the targets to substantially achieve estate decarbonisation by 2030 and fleet decarbonisation by 2035. Note that costs in Table B are expressed in 2021/22 prices, being extracted from the 2022 Net Zero Impact Assessment. The gap is broadly split into four components:

- **Estates**

The MPS building life cycle replacement budget assumes that full decarbonisation will be achieved by the Government target of 2050. By 2030, the budget assumes that £97m is spent on like for like replacement of end of life equipment such as gas boilers (gas for gas replacement) as well as other funded energy efficiency related projects such as the LED lighting replacement programme. A proportion of this £97m is already being used to support projects partially funded by the Public Sector Decarbonisation Scheme (PSDS) grant funding. The remaining proportion could be used as a contribution to the

decarbonisation programme if additional funding is made available (e.g., through PSDS) to replace and accelerate further boilers and fabric replacements to support decarbonisation by 2030.

Assuming a hypothetical situation, i.e., no budgetary constraints and maximised capacity, the updated Heat Decarbonisation Plan produced by the MPS early 2023 demonstrates that approximately 80% decarbonisation of the estate could be achieved by 2030. However, if there are no further monies available to support these additional costs, the extent of decarbonisation will fall short of this projection.

There is also ongoing work to revise the estate strategy to reflect the 'New Met for London' programme which may require retention of existing, and acquisition of new, buildings which will impact carbon emissions and the cost of decarbonisation.

- **Fleet**

The fleet vehicle replacement programme anticipated changing all possible vehicles to zero emission by 2040 following the sale of the last hybrid vehicles in 2035. Acceleration to 2035 will incur additional cost to cover the costs of the increased price of EV over hybrid through the replacement of almost the entire fleet five years earlier than scheduled.

- **EV Charging infrastructure**

Calculations show the need to be able to access around 975 chargers of which around half will need to be ultra-rapid. A building-by-building assessment of where the chargers need to be located and the amount of power required has been completed. The cost of installing 100% of this infrastructure is difficult to estimate based on what proportion of the public network would be available between 2030 and 2035. Planning to deliver the roll out of an EV charging network would need to start in 2025/26 (in order to roll out EVs between 2030 and 2035) when there may be greater certainty of the public charging network – as a result, the balance between public and private charging can be reviewed which could reduce the cost of installing a totally private network.

- **Resilience Infrastructure**

Further work will need to be undertaken to (a) develop a detailed risk assessment on the likelihood of a large power failure and what the operational response should be and (b) consider alternative methods of generating back-up power through hydrogen fuel cell or other technologies.

Summary of current level 2 (external to the MPS estate) climate reduction measures underway (Table C)

14.22. Unlike the GLA and TfL, the MPS has no significant planned activities which will influence emissions reductions in London outside the scope of the MPS Estate. It is recognised that some MPS suppliers are making steps to reduce their emissions, notably in response to our procurement policies (such as those in the GLA's Responsible Procurement Implementation Plan), and our engagements encourage this. However, capturing this

information is currently in its infancy. This will be developed further next year, as Scope 3 emissions are considered in more detail.

Risks and Uncertainties

14.23 The principal risks to achieving the 'Met Zero Carbon' ambitions can be classified as the availability of funding and the uncertainty of technology capability, set against the need for the MPS to deliver transformation and against its primary priorities as set out in the Police and Crime Plan. Expenditure will only be incurred where grants are available or as part of planned work that contributes to the overall ambition. Key Risks are:

- Affordability of funding set against the operational cost of delivering Police and Crime Plan priorities. Funding options will be explored.
- PSDS funding to support the decarbonisation of the estate is either not successful or is no longer available after 2024.
- The pressure to reduce capital expenditure will result in a change in emphasis from the more energy efficient 'Fabric First' to the cheaper to implement high temperature heat pump technology; this may have the impact of increasing revenue costs in the long term due to the higher consumption of electricity.
- The New Met for London programme may require additional buildings to support the new strategy which will have an impact on carbon emissions and a potential increase in the costs of decarbonisation – this will be clarified in the supporting Estate Strategy.
- Public EV charging is not available requiring significant expenditure to install chargers on the MPS estate and a delayed roll out of Battery Electric Vehicles (BEVs).
- Power is not available at the locations where it is required.
- Inflation outpaces budget availability.
- Technology for BEVs does not meet police specifications (load carrying, speed and battery)
- Uncertainty around manufacturers' transition to electric vehicles, following the change in UK government targets for the restriction in sale of ICE vehicles.
- PPA is not achievable or value for money.
- The MPS Resilience review identifies far larger resilience requirements for EV charging.

Climate Budget Table A – budgeted climate actions

Climate Action Area	Climate Action	Description	Funding source	Year funding starts	Year funding ends	Lifetime cumulative CO2e savings, tonnes
Transport	Met Zero Programme, Fleet Charging, including Project Electra MPS	Strategy development for the EV charging infrastructure required to integrate Fleet Battery Electric Vehicles (BEV) into Operations, following by the initial significant Implementation programme of electric charging points across the MPS estate. Project Electra enables the majority of carbon savings to be achieved by providing charging points for the initial phase of BEV vehicles through the current vehicle replacement programme.	<i>borrowing and receipts</i>	2020/21	2025/26	Enabler
Buildings	Forward Works inc. LED replacement programme	The capital costs and benefits capture all 'Forward Works' asset improvements which significantly affect decarbonisation (e.g., insulation and window upgrades), including our standalone LED Lighting improvement project from 2021/22 to 2025/26.	<i>borrowing and receipts</i>	2021/22	2034/35	12,886
Buildings	PSD BAU major refurb (e.g., Kentish Town), minor refurbs (e.g., Chadwell Heath)	Recommended Impact Assessment modelled decarbonisation and energy efficiency measures, plus LED lighting.	<i>borrowing and receipts</i>	2024/25	2024/25	4,358
Buildings	P11 (BCU refurb, NE, Specials (Limehouse))	Recommended Impact Assessment modelled decarbonisation and energy efficiency measures, plus LED lighting.	<i>borrowing and receipts</i>	2025/26	2025/26	2,036

Climate Action Area	Climate Action	Description	Funding source	Year funding starts	Year funding ends	Lifetime cumulative CO2e savings, tonnes
Buildings	PSDS Phase IIIb (23-24-25 delivery)	Heat decarbonisation and energy efficiencies measures covered by PSDS grant funding. With the grant funding limit of £325 per carbon tonne(lifetime) saved using being the limiting factor.	<i>PSDS grant funding, plus borrowing and receipts</i>	2023/24	2024/25	17,925
Buildings	Empress State Building	Feasibility Study development for the future district heat network and heat decarbonisation opportunity alongside the Earls Court Development Company (ECDC). Potential emissions savings associated with the existing gas usage are 29,470tCO2eLT.	GLA	2023/24	2024/25	29,470
Transport	Project Winston (Telematics)	Key enabling technology for achieving Met Zero compliance. Attached to a vehicle this technology will monitor the health and location of a MPS vehicle using GPS technology.	<i>borrowing and receipts</i>	2020/21	2025/26	Enabler
Stakeholder Training	Climate Literacy Training	Commercial have signed up to the GLA's a. Responsible Procurement Implementation Plan (RPIP), which includes Climate Literacy Training being provided to Commercial stakeholders.	<i>revenue</i>	2024/25	2024/25	Enabler
All	Climate Change Adaptation Strategy Development	The MPS's strategic Climate Change Adaptation response is to be developed into a coherent plan. Current BAU activities include adaptation measures (such as flood risk assessments and response to overheating), however a co-ordinated strategy (baseline and implementation plan) is to be developed.	<i>revenue</i>	2024/25	2026/27	Enabler

Climate Action	Year emissions savings start	Average annual CO2e savings to 2030, tonnes	Co benefits	Responsibility (dept) / Contact (optional)	Milestones for 2024 2025	Total Exp. 24 25 £'000	Total Exp. 25 26 £'000	Total Exp. 26 27 £'000	Capital/ Revenue/ Mixed	Total cash savings 24 25 £'000	Total cash savings 25 26 £'000	Total cash savings 26 27 £'000
Met Zero Programme, Fleet Charging, including Project Electra MPS	Enabler	Enabler	Support the roll out of the planned hybridization and electrification of the Met general purpose fleet:	MPS Fleet, and Real Estate Development	This will depend upon the progression and decisions to be made in 2023/24.	1,750	2,325	2,325	Capital	n/a	n/a	n/a
Forward Works inc. LED replacement programme	2022/23	240	Improvement to Building Fabric and renewal of assets.	Real Estate Development	The KPI will measure performance against the year-end capital spend target and flag any delay / reduction in the delivery of elements contributing to decarbonisation.	4,067	11,951	11,951	Capital	40	81	123
PSD BAU major refurb (e.g., Kentish Town), minor refurb (e.g., Chadwell Heath)	2025/26	333	Improvement to Building Fabric and renewal of assets.	Real Estate Development	The KPI will measure performance against the year-end capital spend target and flag any delay / reduction in the delivery of elements contributing to decarbonisation.	5,753			Capital	-	81	82
P11 (BCU refurb, NE, Specials (Limehouse))	2026/27	159	Improvement to Building Fabric and renewal of assets.	Real Estate Development	The KPI will measure performance against the year-end capital spend target and flag any delay / reduction in the delivery of elements contributing to decarbonisation.		4,250		Capital	-	-	52

Climate Action	Year emissions savings start	Average annual CO2e savings to 2030, tonnes	Co benefits	Responsibility (dept) / Contact (optional)	Milestones for 2024 2025	Total Exp. 24 25 £'000	Total Exp. 25 26 £'000	Total Exp. 26 27 £'000	Capital/ Revenue/ Mixed	Total cash savings 24 25 £'000	Total cash savings 25 26 £'000	Total cash savings 26 27 £'000
PSDS Phase IIIb (23-24-25 delivery)	2024/25	1,296	Improvement to Building Fabric and renewal of assets.	Real Estate Development	The KPI will measure performance against the PSDS grant funding requirements for payment milestones and project completions.	13,008			Capital + PSDS Funding	61	416	421
Empress State Building	Enabler	Enabler	reduced costs from partnership approach	Real Estate Development	As the project funding was only confirmed late Oct 2023, the KPI for future quarterly milestone reporting will be advised as a later date, once the team is mobilised.	753	-	-	Capital	n/a	n/a	n/a
Project Winston (Telematics)	Enabler	Enabler	This technology will support the future strategic deployment and charging strategies of the MPS Fleet.	MPS Fleet	MPS have engaged an approved supplier to commence phase 1 of the installation of 2,500 Telematics units into MPS vehicles, commencing from Q3 2023/24.	500	500	200	Capital	n/a	n/a	n/a
Climate Literacy Training	Enabler	Enabler		Commercial	This is a minor project, with the timescales still tbc, therefore shall only be commented upon, without rigorous quarterly reporting.	30			Revenue	n/a	n/a	n/a
Climate Change Adaptation Strategy Development	Enabler	Enabler		Property Services Directorate	This is a minor project, with the timescales still tbc, therefore shall only be commented upon, without rigorous quarterly reporting.	33	33	33	Revenue	n/a	n/a	n/a

Climate Action	Comments
Met Zero Programme, Fleet Charging, including Project Electra MPS	This programme with drill down into Fleet EV charging requirements, and how this integrates into operational requirements, across MPS locations. This is to ensure EV chargers installed meet operational requirement and gain insights into vehicle / journey optimisation, charging locations, resilience and onsite / offsite electricity prices and future flexible pricing benefits. This project is therefore developing the strategy and detailed requirements prior to moving forward with significant implementation of strategic charging infrastructure.
Forward Works inc. LED replacement programme	17/10/23 - Should PSDS 3c grant funding be awarded, 2024/25 and subsequent funding years will need to be increased significantly, to support the proposed £58m of investment (of which £15.6m would be grant funded).
PSD BAU major refurb (e.g., Kentish Town), minor refurb (e.g., Chadwell Heath)	Decarbonisation benefits are taken from the Impact Assessment Model, including LED and lighting for these sites too. Line includes only 'in scope' works, as per approved OBC
P11 (BCU refurb, NE, Specials (Limehouse))	Decarbonisation benefits are taken from the Impact Assessment Model, including LED lighting savings. These may differ from the FBC, as there is scope for the project to develop further, particularly to suit the Commissioner's New Met for London Plan
PSDS Phase IIIb (23-24-25 delivery)	PSDS 3b Application made Oct 2022. Grant award notified March 2023. The Metropolitan Police Service has been awarded £9,483,959 to upgrade 14 police stations across London. Air source heat pumps will be installed in each of the police stations, with additional electric heating to be installed in one of the stations. Energy efficiency improvements will also be installed across multiple sites, including double glazing and cavity wall insulation. LEDs will be completed as part of the project scope.
Empress State Building	Funding of c.£50k is progressing, looking at the 5th generation heat network with E.O.N. On 20/10/2023 it was confirmed that the £998k funding for the larger feasibility study development was available, some of which should begin in 2022/23. This feasibility study is required to progress project development, which if successful would lead to a significant project to decarbonise the site (for several £million). The spend profile provided from 2023/24 to 2024/25 is an estimate, which will be re-forecast once the project team is mobilised.
Project Winston (Telematics)	A reduction in overall fleet size is expected due to optimisation using the information this telematics project will provide. However, the extent of this is not estimated at this time.
Climate Literacy Training	The full scope of the training rollout is tbc. This will include key Commercial Services personnel at least. The training shall also be offered to key colleagues related to Commercial Services and may include all Commercial Services personnel.
Climate Change Adaptation Strategy Development	Whilst many MPS construction activities include Climate Adaptation measures, the planned (funded) strategy and actionable approaches to this will increase significantly in future years, which will lead to further detail in these tables.

Table B: Level 1 Mitigation Measures - unfunded

Climate Action Area	Climate Action	Climate Action (continued)	Description	Funding Source	Year funding starts	Year funding ends	Lifetime cumulative CO2e savings, tonnes
Electricity	PPA zero carbon electricity implementation stage		Progression with the GLA / TfL in PPA collaborative procurement exercise to source PPA, for zero carbon electricity, prior to 2030. The assumption here is shown for two annual tranches.	unidentified - revenue	2023/24	2025/26	Enabler
Buildings	PSDS Phase IIIc (24-26 delivery)		Heat decarbonisation and energy efficiencies measures covered by PSDS grant funding. With the grant funding limit of £325 per carbon tonne(lifetime) saved using being the limiting factor.	PSDS grant funding	2024/25	2025/26	30,438
Buildings	Estates Remaining Net Zero Carbon (NZC) Impact Assessment Actions to decarbonise buildings (not Inc. EV charging)	Delivery of remaining identified asset replacements, building fabric and heat decarbonisation	This programme covers all NZC Impact Assessment heat decarbonisation requirements, such as insulation, solar PV, and heat pumps / electrified assets, as appropriate for each site.	unidentified - grant or debt	2026/27	2033/34	144,133
Transport	Fleet Vehicle Replacement Programme - Acceleration of BAU	Acceleration of the funded fleet vehicle replacement programme with earlier adoption of Battery Electric Vehicles.	Reduce MPS Fleet carbon emissions through the use of zero emission vehicles displacing ICE vehicles which will be delivered as part of the MPS Replacement Programme. This line includes ICE, Hybrid and BEVs.	unidentified - grant or debt	2028/29	2033/34	23,192
Transport	Fleet EV Charging Infrastructure.		This unfunded EV Charging infrastructure element provides the carbon reduction for the planned (funded) EV Fleet, and any unfunded acceleration to this Fleet. Noting that Salix PSDS funding does not include for any vehicle charging.	unidentified - grant or debt	2027/28	2031/32	45,695
Resilience	Resilience Requirements - Fleet and Estate			unidentified - grant or debt	2026/27	2033/34	Enabler

Climate Action	Year emissions savings start	Average annual CO2e savings to 2030, tonnes	Co benefits	Responsibility (dept)	Further information	Total Exp. 24 25 £'000	Total Exp. 25 26 £'000	Total Exp. 26 27 £'000	Proposed Exp. 2027 28 to 2030 2031 (incl.) £'000	Total Proposed Expenditure £'000	Capital/ Revenue/ Mixed
PPA zero carbon electricity implementation stage	Enabler	Enabler		Commercial	n/a	175	175	-	-	450	Revenue
PSDS Phase IIIc (24-26 delivery)	2025/26	2,198		Real Estate Development	n/a	5,473	10,164	-	-	15,637	Capital
Estates Remaining Net Zero Carbon (NZC) Impact Assessment Actions to decarbonise buildings (not Inc. EV charging)	2027/28	3,772		Real Estate Development	n/a	-	-	24,408	97,632	152,889	Capital
Fleet Vehicle Replacement Programme - Acceleration of BAU	2027/28	670	Air quality	MPS Fleet	n/a	-			16,176	27,889	Capital
Fleet EV Charging Infrastructure.	2027/28	2,472		Real Estate Development & MPS Fleet	n/a	-			128,622	167,567	Capital
Resilience Requirements - Fleet and Estate	Enabler	Enabler		Real Estate Development	n/a	-	-	6,688	10,832	26,578	Capital

Climate Action	Proposed cash savings 24 25 £000 s	Proposed cash savings 25 26 £000 s	Proposed cash savings 26 27 £000 s	Proposed cash savings 2027 28 to end 2030 2031 £'000	TOTAL Proposed Cash Savings 24 35 £000 s	Grant and/or Debt funding? Provide further details on any debt funding	Readiness: Immediate/ 2 3y/ 3y+	Comments
PPA zero carbon electricity implementation stage	n/a	n/a	n/a	unknown	unknown	Unidentified - revenue - to be confirmed, although PPA will only be progressed if value for money is determined.	2-	Our standard emissions trajectory does not include emissions reductions from PPA's, due to current carbon accounting rules (which are expected to change). The future effects of a PPA are shown for information only, simulated with 40% electricity set to zero emissions by 2027/28 and 80% by 2029/30. The PPA benefits change marginally if just table A is funded, or future changes to electricity demand are made. There are significant unknowns for our electricity demand are onsite / offsite BEV charging requirements, and Solar PV rollout across the MPS sites. Assuming value for money is likely, and to support exposure to a volatile energy market; work with TfL and the other GLA Group members will continue to ensure that our purchase of electricity is increasingly zero carbon, following the initial PPA that is being secured by TfL. The volume of such MPS PPA is very much to be determined, as the uptake of renewables through the CFD process is a significant influence.
PSDS Phase IIIc (24-26 delivery)	-	95	957	3,859	8,845	PSDS grant funding, planned application.	Immediate	This is a significant programme of activity, which is being bid for early November 2023. The selection of sites has been carefully considered to minimise operational disruption, and boiler age (grant funding eligibility). Grant funding is significant in our journey to Net Zero, as funding for operational activities cannot be used for this purpose. Projects need to be completed by end of 2026/27 FY. 10% of savings achieved in the first year (25/26).
Estates Remaining Net Zero Carbon (NZC) Impact Assessment Actions to decarbonise buildings (not Inc. EV charging)	-	-	-	3,680	12,503	unidentified - grant or debt - to be confirmed. This may be extensions of the PSDS funding rounds, if this scheme is extended.	3y+	Note that the £169m identified for the summation of this and PSDS 3c is an additional funding requirement above the costs already listed as 'funded / allocated' in table A. These figures are stated in 2021/22 terms, being calculated from the Impact Assessment (based on in 2021/22) benchmark costs, with an additional nominal amount of £9,576k added (above the Nov 2022 submission), £660k of which will be from the Gilmore House PSDS project where funding was not received.

Fleet Vehicle Replacement Programme - Acceleration of BAU	-	-	-	1,631	3,451	unidentified - grant or debt - to be confirmed	3y+	This line captures the projected uplift in Capital requirement to accelerate the BAU funded Fleet Vehicle Replacement Programme (VRP) and transition to BEV. This line also includes the revenue benefits from switching from fuel to ON- and OFF-site EV charging. It is important to note that some vehicles will be very hard to electrify, and certain operational requirements will mandate ICE vehicles.
Fleet EV Charging Infrastructure.	-	-	-	3,638	2,153	unidentified - grant or debt - to be confirmed	3y+	£167.5m is the capital requirement for EV charging infrastructure requirements on MPS sites, stated in 2021/22 baseline costs. This will be subject to review when the scale of and accessibility to public charging infrastructure is clearer.
Resilience Requirements - Fleet and Estate	n/a	n/a	n/a	n/a	n/a	unidentified - grant or debt - to be confirmed	3y+	This capital requirement contains many assumptions on risk, as the 'Resilience Strategy' is in early stages of development. The funding required may be significantly higher than this figure.

Table B: Level 1 Adaptation Measures - unfunded

			Whilst many MPS construction activities include Climate Adaptation measures, the planned (funded) strategy and actionable approaches to this will increase significantly in future years, which will lead to further detail in these tables.				
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Climate Budget Table C – Level 2 Wider London Climate Measures - Funded

Unlike the GLA and TfL, the MPS has no significant planned activities which will influence emissions reductions in London outside the scope of the MPS Estate. It is recognised that some MPS suppliers are making steps to reduce their emissions, notably in response to our procurement policies (such as those in the GLA's Responsible Procurement Implementation Plan), and our engagements encourage this.

However, capturing this information is currently in its infancy. This will be developed further next year, as Scope 3 emissions are considered in more detail.

Subjective Analysis 2023/24 to 2026/27 – (excludes NMfL ambition investment requirements)

Subjective analysis	Revised Budget 2023/24	Forecast Outturn 2023/24	Budget 2024/25	Plan 2025/26	Plan 2026/27
MOPAC	£m	£m	£m	£m	£m
Police officer pay	2,395.6	2,402.4	2,491.6	2,592.4	2,628.7
Police staff pay	711.7	708.7	762.2	770.1	779.1
PCSO pay	80.8	64.9	84.5	92.4	94.7
Total pay	3,188.1	3,176.0	3,338.3	3,454.9	3,502.5
Police officer overtime	149.7	176.5	150.9	151.8	152.3
Police staff overtime	25.9	41.2	25.2	25.2	25.2
PCSO overtime	0.3	0.4	0.3	0.3	0.3
Total overtime	175.8	218.1	176.3	177.2	177.8
Employee-related expenditure	48.7	55.3	40.6	39.2	44.6
Premises costs	194.0	199.8	198.5	208.1	208.1
Transport costs	85.8	100.3	84.2	84.2	84.2
Supplies and services	776.7	801.3	653.3	622.9	623.1
Total running expenses	1,105.1	1,156.8	976.6	954.3	960.0
Capital Financing costs	121.9	112.1	169.9	199.1	210.6
Total expenditure	4,590.9	4,663.0	4,661.1	4,785.5	4,850.8
Other income	-353.1	-372.1	-353.4	-353.3	-348.8
Total income	-353.1	-372.1	-353.4	-353.3	-348.8
Discretionary pension costs	49.0	55.9	56.0	46.2	42.9
Budget gap	0.0	0.0	-54.0	-198.0	-246.3
Mitigations to be identified	0.0	-40.1	0.0	0.0	0.0
Net revenue expenditure	4,286.8	4,306.7	4,309.7	4,280.4	4,298.6
Transfer to/(from) reserves	-211.1	-210.7	-155.2	-31.6	-13.5
Financing requirement	4,075.7	4,096.0	4,154.4	4,248.8	4,285.2
Specific grants	794.1	814.4	676.1	672.4	672.4
Retained business rates	94.8	94.8	91.8	93.6	95.5
Share of Council Tax collection fund surplus	-7.2	-7.2	0.0	0.0	0.0
Home Office Police Grant	2,284.3	2,284.3	2,435.6	2,498.2	2,498.0
Council tax requirement	909.6	909.6	951.0	984.5	1,019.3

NB: Some of the sub-totals may not be correct due to rounding.

Objective Analysis 2023/24 to 2026/27 – (excludes NMfL ambition investment requirements)

Objective analysis	Revised Budget	Forecast	Budget	Plan	Plan
MOPAC	2023/24	Outturn	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m
Frontline Policing	1,660.7	1,692.7	1,704.9	1,704.8	1,703.6
Met Operations	976.2	972.2	1002.9	1000.9	999.2
Specialist Operations	491.3	504.1	462.8	462.8	462.6
People & Resources	365.4	374.9	343.9	337.4	335.2
Comms & Engagement	13.6	14.2	10.0	10.0	10.0
Strategy & Transformation	56.5	83.9	44.5	39.8	39.3
Digital, Data & Technology	241.3	238.2	251.9	240.1	245.4
Professionalism	101.9	101.6	103.8	103.1	102.9
Total business groups	3,907.0	3,982.0	3,924.7	3,898.9	3,898.1
Discretionary pension costs	49.0	55.9	56.0	46.2	42.9
Centrally held	75.6	66.2	83.9	221.7	287.9
Capital financing costs	121.9	112.1	169.9	199.1	210.6
Total corporate budgets	246.5	234.2	309.9	467.0	541.4
Total MPS budget	4,153.4	4,216.2	4234.6	4,365.9	4,439.4
Victims Services and Crime Prevention	83.6	80.7	80.4	72.4	67.0
Oversight and Accountability	7.2	7.3	8.8	8.9	8.2
Shared audit function	1.5	1.7	1.6	1.5	1.5
Sub Total MOPAC	92.3	89.6	90.7	82.7	76.6
Violence Reduction Unit	41.2	41.0	38.4	29.9	28.8
Total MOPAC budget	133.4	130.6	129.1	112.6	105.5
Budget gap	0.0	0.0	-54.0	-198.0	-246.3
Mitigations to be identified	0.0	-40.1	0.0	0.0	0.0
Net revenue expenditure	4,286.8	4,306.7	4,309.7	4,280.4	4,298.7
Transfer to/(from) reserves	-211.1	-210.7	-155.2	-31.6	-13.5
Financing requirement	4,075.7	4095.9	4154.5	4,248.8	4,285.2
Specific grants	794.1	814.4	676.1	672.4	672.4
Retained business rates	94.8	94.8	91.8	93.6	95.5
Share of Council Tax collection fund surplus	-7.2	-7.2	0.0	0.0	0.0
Home Office Police Grant	2,284.3	2,284.3	2,435.6	2,498.2	2,498.
Council tax requirement	909.6	909.6	951.0	984.5	1,019.3

NB: Some of the sub-totals may not be correct due to roundings.

Gross Pressures 2024/25 - 2026/27 – (excludes NMfL ambition investment requirements)

The table below sets out the cumulative position for both previously agreed growth, and new growth.

Description			
Previously Agreed Growth	2024/25	2025/26	2026/27
	£m	£m	£m
Impact of revised capital programme	35.4	57.3	66.8
Police uplift costs	81.7	117.6	117.6
Impact of 23/24 growth following final budget	-0.1	-0.1	-0.1
Met Operating Model	-2.5	-2.5	-2.5
Miscellaneous including catering, Palestra lease	-0.1	-0.1	-0.1
Pension Administration	-4.0	-4.0	-4.0
Returner scheme	0.0	0.0	-10.9
Mobile phone roll out	2.6	8.6	-0.4
Stabilisation	4.8	-6.7	-16.2
Capability investment	-1.5	-1.5	-1.5
Total Previously agreed growth	116.3	168.6	148.7
Changes to previously agreed growth			
Police uplift costs	-81.7	-117.6	-117.6
Total changes to previously agreed growth	-81.7	-117.6	-117.6
Final position for previously agreed growth			
Impact of revised capital programme	35.4	57.3	66.8
Police uplift costs	0.0	0.0	0.0
Impact of 23/24 growth following final budget	-0.1	-0.1	-0.1
Met Operating Model	-2.5	-2.5	-2.5
Miscellaneous including catering, Palestra lease	-0.1	-0.1	-0.1
Pension Administration	-4.0	-4.0	-4.0
Returner scheme	0.0	0.0	-10.9
Mobile phone roll out	2.6	8.6	-0.4
Stabilisation	4.8	-6.7	-16.2
Capability investment	-1.5	-1.5	-1.5
Total final position for previously agreed growth	34.6	51.0	31.1
New growth			
Learning and Development programme	11.4	10.3	15.7
Met Shared Services (MSS)- Indicative costs	8.8	13	10.4
Two Tier Framework	3.3	4.2	4.2
Enhanced Returners Scheme	7.0	-2.8	4.8
Capital Financing	10.2	12.4	22.2
Connect	13.3	10.7	10.2
Performance and Insight	1.76	1.76	1.76
Fleet new contract transition	2.1	0.0	0.0
OH Volumetric pressures	2.0	2.0	2.0
Trauma peer support	0.5	0.5	0.5
Building managers and auditors	1.5	1.5	1.5
Reassurance Cleaning	1.3	1.3	1.3
Licences	0.3	0.3	0.3

Data lines	2.3	2.3	2.3
Lawful Business Monitoring	1.1	1.1	1.1
Lawyers and para legals	2.1	2.1	2.1
Transformation Pressures excluding Connect	7.7	3.5	3.3
Total new growth	76.6	64.2	83.6
Total Growth for Budget Submission	111.2	115.2	114.7

The table below sets out the incremental position for both previously agreed growth, and new as growth.

Description			
	2024/25	2025/26	2026/27
Previously Agreed Growth	£m	£m	£m
Impact of revised capital programme	35.4	21.9	9.5
Police uplift costs	81.7	35.9	0.0
Impact of 23/24 growth following final budget	-0.1	0.0	0.0
Met Operating Model	-2.5	0.0	0.0
Miscellaneous including catering, Palestra lease	-0.1	0.0	0.0
Pension Administration	-4.0	0.0	0.0
Returner scheme	0.0	0.0	-10.9
Mobile phone roll out	2.6	6.0	-9.0
Stabilisation	4.8	-11.5	-9.5
Capability investment	-1.5	0.0	0.0
Total Previously agreed growth	116.3	52.3	-19.9
Changes to previously agreed growth			
Police uplift costs	-81.7	-35.9	0.0
Total changes to previously agreed growth	-81.7	-35.9	0.0
Final position for previously agreed growth			
Impact of revised capital programme	35.4	21.9	9.5
Police uplift costs	0.0	0.0	0.0
Impact of 22/23 growth following final budget	-0.1	0.0	0.0
Met Operating Model	-2.5	0.0	0.0
Miscellaneous including catering, Palestra lease	-0.1	0.0	0.0
Pension Administration	-4.0	0.0	0.0
Returner scheme	0.0	0.0	-10.9
Mobile phone roll out	2.6	6.0	-9.0
Stabilisation	4.8	-11.5	-9.5
Capability investment	-1.5	0.0	0.0
Total final position for previously agreed growth	34.6	16.4	-19.9
New growth			
Learning and Development programme	11.4	-1.1	5.4
Met Shared Services (MSS)- Indicative costs	8.8	4.2	-2.6
Two Tier Framework	3.3	0.9	0.0
Enhanced Returners Scheme	7.0	-9.8	7.6
Capital Financing	10.2	2.2	9.8
Connect	13.3	-2.6	-0.5
Performance and Insight	1.8	0.0	0.0
Fleet new contract transition	2.1	-2.1	0.0
OH Volumetric pressures	2.0	0.0	0.0
Trauma peer support	0.5	0.0	0.0
Building managers and auditors	1.5	0.0	0.0
Reassurance Cleaning	1.3	0.0	0.0
Licences	0.3	0.0	0.0

Data lines	2.3	0.0	0.0
Lawful Business Monitoring	1.1	0.0	0.0
Lawyers and para legals	2.1	0.0	0.0
Transformation Pressures excluding Connect	7.7	-4.1	-0.2
Total new growth	76.6	-12.4	19.4

Total Growth for Budget Submission	111.2	4.0	-0.5
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Savings and efficiencies 2024/25 to 2026/27 - (excludes NMfL ambition investment requirements)

The table below sets out the cumulative position for both previously agreed savings, and new savings.

Description	2024/25 £m	2025/26 £m	2026/27 £m
Previously Agreed Savings			
Property	-5.2	-6.1	-6.1
ICT savings	-8.4	-9.1	-9.1
PBB savings	-1.3	-2.0	-2.0
Efficiency programme	-41.0	-51.0	-61.0
One off Police pay adjustment	7.2	7.2	7.2
Total previously agreed savings	-48.7	-61.0	-71.0
Changes to previously agreed savings			
Property	3.9	3.9	3.9
ICT Savings	1.8	0.0	0.0
Efficiency Savings	18.3	22.6	26.9
Total changes to previously agreed savings	24.0	26.5	30.8
Final position for previously agreed savings			
Property	-1.3	-2.2	-2.2
ICT savings	-6.6	-9.1	-9.1
PBB savings	-1.3	-2.0	-2.0
Efficiency programme	-22.7	-28.4	-34.1
One off Police pay adjustment	7.2	7.2	7.2
Total final position for previously agreed savings	-24.7	-34.5	-40.2
New savings			
Re-prioritisation of existing services e.g. stopping, reducing services	-52.5	-50.0	-49.4
Review of centrally held budgets and supplies and services	-31.2	-17.1	-13.5
Investment Income	-13.0	-13.0	-10.0
Total new savings	-96.7	-80.1	-72.9
Total Savings for Budget Submission	-121.4	-114.6	-113.1

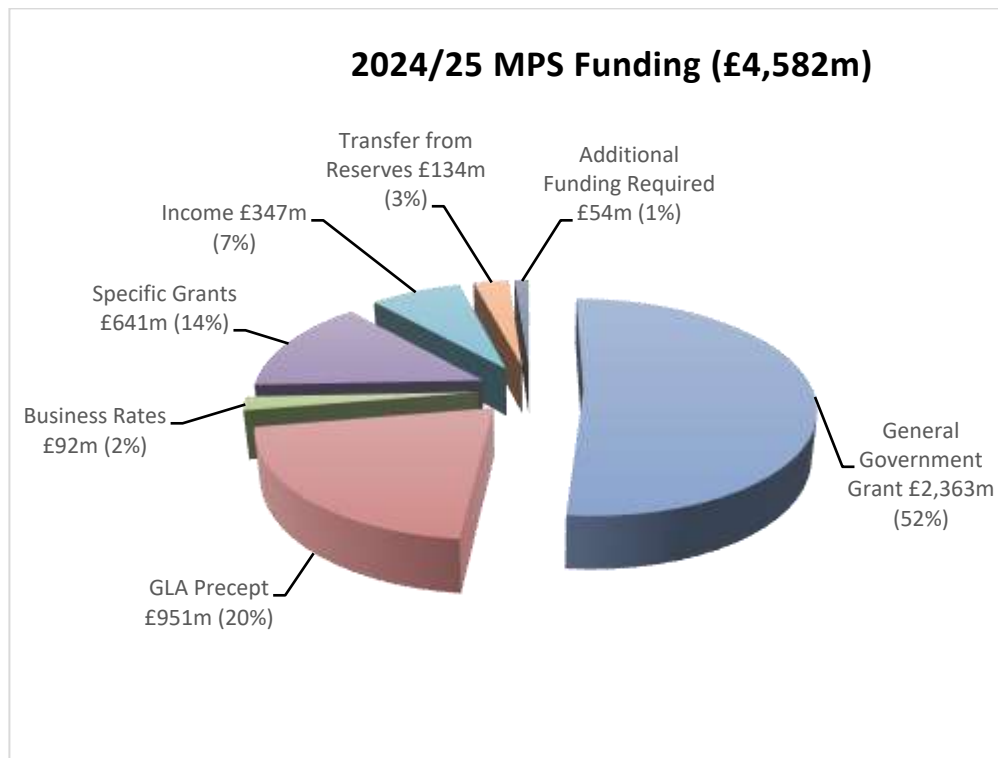
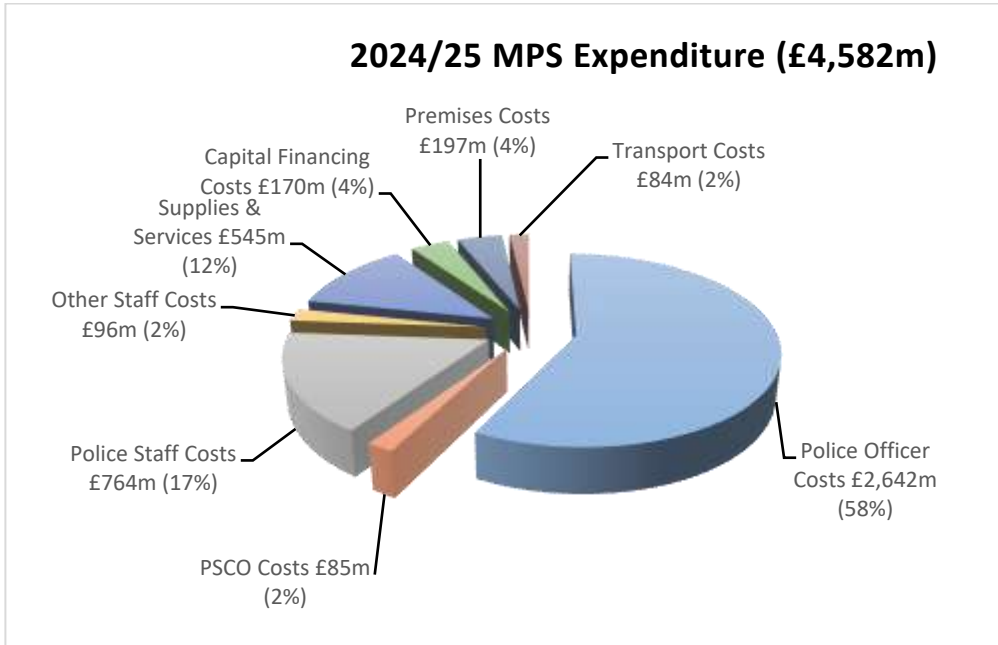
The table below sets out the incremental position for both previously agreed savings, and new savings.

Previously Agreed Savings			
Description	2024/25 £m	2025/26 £m	2026/27 £m
Property	-5.2	-0.9	0.0
ICT savings	-8.4	-0.7	0.0
PBB and Efficiency savings	-1.3	-0.7	0.0
Efficiency programme	-41.0	-10.0	-10.0
One off Police pay adjustment	7.2	0.0	0.0
Total previously agreed savings	-48.7	-12.3	-10.0
Changes to previously agreed savings			
Property	3.9	0.0	0.0
Evidential Data Archive	1.8	-1.8	0.0
Efficiency Savings	18.3	4.3	4.3
Total changes to previously agreed savings	24.0	2.5	4.3
Final position for previously agreed savings			
Property	-1.3	-0.9	0.0
ICT savings	-6.6	-2.5	0.0
PBB savings	-1.3	-0.7	0.0
Efficiency programme	-22.7	-5.7	-5.7
One off Police pay adjustment	7.2	0.0	0.0
Total final position for previously agreed savings	-24.7	-9.8	-5.7
New savings			
Re-prioritisation of existing services e.g. stopping, reducing services	-52.5	2.6	0.5
Review of centrally held budgets and supplies and services	-31.2	14.1	3.6
Investment Income	-13.0	0.0	3.0
Total new savings	-96.7	16.7	7.1
Total Savings for Budget Submission	-121.4	6.9	1.4

Analysis of Change in Council Tax Requirement - (excludes NMfL ambition investment requirements)

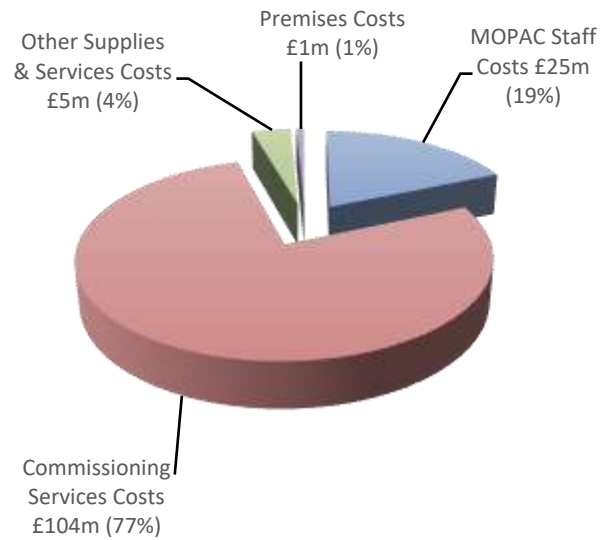
2023-24 council tax requirement	909.6
Changes due to:	
Net change in service expenditure and income	-193.9
Saving and Efficiencies including additional income	-121.4
Growth	111.2
Inflation	227.0
Use of reserves	55.9
Government grants	-33.2
Retained business rates funding	3.0
Council tax collection fund deficit	-7.2
2024-25 council tax requirement	951.0

MPS – 2024/25 Budget - expenditure and funding pie charts - (excludes NMfL ambition investment requirements)

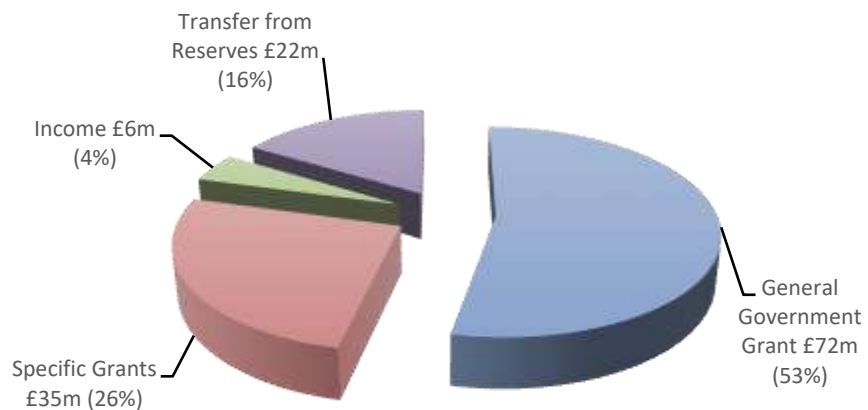


MOPAC – 2024/25 Budget - expenditure and funding pie charts

2024/25 MOPAC Expenditure (£135m)



2024/25 MOPAC Funding (£135m)



Capital Programme 2023/24-2027/28 – excludes NMfL investment requirement

MPS Capital Programme 2023/24-2027/28	2023-24	2024-25	2025-26	2026-27	2027-28	Total
	Forecast	Plan	Plan	Plan	Plan	
	Outturn	Plan	Plan	Plan	Plan	
	£m	£m	£m	£m	£m	£m
PSD- Forward Works and BAU	40.2	46.1	66.3	42.5	66.0	261.1
Fleet	35.4	35.0	36.2	27.3	31.9	165.9
DDaT	68.1	67.3	59.6	66.6	59.3	320.9
CTPHQ	53.5	36.4	20.6	24.0	26.0	160.6
Met Operations- Covert and Forensics	8.8	11.5	5.5	9.2	6.4	41.5
Sub-total excluding Transformation	206.0	196.4	188.2	169.6	189.7	949.9
Optimising Contact and Response	62.2	51.8	0.3	3.0	0.0	117.4
Transforming Investigation and Prosecution	37.2	13.1	6.0	6.0	6.0	68.3
Operational Support Services	0.5	0.0	0.0	0.0	0.0	0.5
Learning and Professionalism Transformation	0.5	1.0	0.5	0.5	0.0	2.5
TD Flexible Service Portfolio & Met CC	5.4	7.3	5.6	1.2	0.4	19.8
PSD- Central Estates Programme	16.4	26.4	29.4	5.5	0.0	77.6
PSD- Transforming the Workplace	7.4	13.1	22.6	54.4	45.5	143.1
Transformation - long term estimate	0	3.0	2.0	9.0	12.0	26.0
Sub-total Transformation	129.6	115.7	66.3	79.6	63.9	455.2
Total	335.6	312.2	254.5	249.2	253.6	1,405.1
Funding						
Capital Receipts	15.3	11.9	0.8	10.9	1.0	39.9
Capital Grants & Third Party Contributions	63.1	46.0	29.8	32.1	30.6	201.7
Borrowing	253.5	254.3	211.6	202.9	218.7	1,140.9
Revenue Contributions	3.7	0.0	12.3	3.3	3.3	22.6
Total Funding	335.6	312.2	254.5	249.2	253.6	1,405.1

Tables reflecting NMfL ambition investment requirements

Revenue

Subjective Analysis 2023/24 to 2026/27 – (includes NMfL ambition investment requirements)

Subjective analysis	Revised Budget	Forecast Outturn	Budget	Plan	Plan
MOPAC	2023/24	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m
Police officer pay	2,395.6	2,402.4	2,491.6	2,592.4	2,628.7
Police staff pay	711.7	708.7	835.7	843.6	852.6
PCSO pay	80.8	64.9	84.5	92.4	94.7
Total pay	3,188.1	3,176.0	3,411.8	3,528.4	3,576.0
Police officer overtime	149.7	176.5	150.9	151.8	152.3
Police staff overtime	25.9	41.2	25.2	25.2	25.2
PCSO overtime	0.3	0.4	0.3	0.3	0.3
Total overtime	175.8	218.1	176.3	177.2	177.8
Employee-related expenditure	48.7	55.3	40.6	39.2	44.6
Premises costs	194.0	199.8	198.5	208.1	208.1
Transport costs	85.8	100.3	84.2	84.2	84.2
Supplies and services	776.7	801.3	723.5	663.3	659.0
Total running expenses	1,105.1	1,156.8	1,046.8	994.8	995.9
Capital Financing costs	121.9	112.1	169.9	199.1	210.6
Total expenditure	4,590.9	4,663.0	4,804.7	4,899.5	4,960.2
Other income	-353.1	-372.1	-497.0	-467.2	-458.2
Total income	-353.1	-372.1	-497.0	-467.2	-458.2
Discretionary pension costs	49.0	55.9	56.0	46.2	42.9
Budget gap	0.0	0.0	-54.0	-198.0	-246.3
Mitigations to be identified	0.0	-40.1	0.0	0.0	0.0
Net revenue expenditure	4,286.8	4,306.7	4,309.7	4,280.4	4,298.6
Transfer to/(from) reserves	-211.1	-210.7	-155.2	-31.6	-13.5
Financing requirement	4,075.7	4096.0	4154.4	4,248.8	4,285.2
Specific grants	794.1	814.4	676.1	672.4	672.4
Retained business rates	94.8	94.8	91.8	93.6	95.5
Share of Council Tax collection fund surplus	-7.2	-7.2	0.0	0.0	0.0
Home Office Police Grant	2,284.3	2,284.3	2,435.6	2,498.2	2,498.0
Council tax requirement	909.6	909.6	951.0	984.5	1,019.3

NB: Some of the sub-totals may not be correct due to rounding.

Objective Analysis 2023/24 to 2026/27 – (includes NMfL ambition investment requirements)

Objective analysis	Revised Budget	Forecast	Budget	Plan	Plan
MOPAC	2023/24	Outturn	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m
Frontline Policing	1,660.7	1,692.7	1,704.9	1,704.8	1,703.6
Met Operations	976.2	972.2	1002.9	1000.9	999.2
Specialist Operations	491.3	504.1	462.8	462.8	462.6
People & Resources	365.4	374.9	343.9	337.4	335.2
Comms & Engagement	13.6	14.2	10.0	10.0	10.0
Strategy & Transformation	56.5	83.9	44.5	39.8	39.3
Digital, Data & Technology	241.3	238.2	251.9	240.1	245.4
Professionalism	101.9	101.6	103.8	103.1	102.9
Total business groups	3,907.0	3,982.0	3,924.7	3,898.9	3,898.1
Discretionary pension costs	49.0	55.9	56.0	46.2	42.9
Centrally held	75.6	66.2	83.9	221.7	287.9
Capital financing costs	121.9	112.1	169.9	199.1	210.6
Total corporate budgets	246.5	234.2	309.9	467.0	541.4
Total MPS budget	4,153.4	4,216.2	4234.6	4,365.9	4,439.4
Victims Services and Crime Prevention	83.6	80.7	80.4	72.4	67.0
Oversight and Accountability	7.2	7.3	8.8	8.9	8.2
Shared audit function	1.5	1.7	1.6	1.5	1.5
Sub Total MOPAC	92.3	89.6	90.7	82.7	76.6
Violence Reduction Unit	41.2	41.0	38.4	29.9	28.8
Total MOPAC budget	133.4	130.6	129.1	112.6	105.5
Budget gap	0.0	0.0	-54.0	-198.0	-246.3
Mitigations to be identified	0.0	-40.1	0.0	0.0	0.0
Net revenue expenditure	4,286.8	4,306.7	4,309.7	4,280.4	4,298.7
Transfer to/(from) reserves	-211.1	-210.7	-155.2	-31.6	-13.5
Financing requirement	4,075.7	4095.9	4154.5	4,248.8	4,285.2
Specific grants	794.1	814.4	676.1	672.4	672.4
Retained business rates	94.8	94.8	91.8	93.6	95.5
Share of Council Tax collection fund surplus	-7.2	-7.2	0.0	0.0	0.0
Home Office Police Grant	2,284.3	2,284.3	2,435.6	2,498.2	2,498.
Council tax requirement	909.6	909.6	951.0	984.5	1,019.3

NB: Some of the sub-totals may not be correct due to rounding.

Gross Pressures 2024/25 - 2026/27 – (includes NMfL ambition investment requirements)

The table below sets out the cumulative position for both previously agreed growth, and new growth.

Description			
	2024/25	2025/26	2026/27
Previously Agreed Growth	£m	£m	£m
Impact of revised capital programme	35.4	57.3	66.8
Police uplift costs	81.7	117.6	117.6
Impact of 23/24 growth following final budget	-0.1	-0.1	-0.1
Met Operating Model	-2.5	-2.5	-2.5
Miscellaneous including catering, Palestra lease	-0.1	-0.1	-0.1
Pension Administration	-4.0	-4.0	-4.0
Returner scheme	0.0	0.0	-10.9
Mobile phone roll out	2.6	8.6	-0.4
Stabilisation	4.8	-6.7	-16.2
Capability investment	-1.5	-1.5	-1.5
Total Previously agreed growth	116.3	168.6	148.7
Changes to previously agreed growth			
Police uplift costs	-81.7	-117.6	-117.6
Total changes to previously agreed growth	-81.7	-117.6	-117.6
Final position for previously agreed growth			
Impact of revised capital programme	35.4	57.3	66.8
Police uplift costs	0.0	0.0	0.0
Impact of 23/24 growth following final budget	-0.1	-0.1	-0.1
Met Operating Model	-2.5	-2.5	-2.5
Miscellaneous including catering, Palestra lease	-0.1	-0.1	-0.1
Pension Administration	-4.0	-4.0	-4.0
Returner scheme	0.0	0.0	-10.9
Mobile phone roll out	2.6	8.6	-0.4
Stabilisation	4.8	-6.7	-16.2
Capability investment	-1.5	-1.5	-1.5
Total final position for previously agreed growth	34.6	51.0	31.1

Description			
	2024/25	2025/26	2026/27
New Growth	£m	£m	£m
Learning and Development programme	11.4	10.3	15.7
Met Shared Services (MSS)- Indicative costs	8.8	13	10.4
Two Tier Framework	3.3	4.2	4.2
Enhanced Returners Scheme	7.0	-2.8	4.8
Capital Financing	10.2	12.4	22.2
Connect	13.3	10.7	10.2
Performance and Insight	1.76	1.76	1.76
Fleet new contract transition	2.1	0	0
OH Volumetric pressures	2.0	2.0	2.0
Trauma peer support	0.5	0.5	0.5
Building managers and auditors	1.5	1.5	1.5
Reassurance Cleaning	1.3	1.3	1.3
Licences	0.3	0.3	0.3
Data lines	2.3	2.3	2.3
Lawful Business Monitoring	1.1	1.1	1.1
Lawyers and para legals	2.1	2.1	2.1
Transformation Pressures excluding Connect	7.7	3.5	3.3
NMfL included in MTFP - Revenue / cost of borrowing	70.1	40.4	35.9
Addressing the officer and staff mix imbalance to boost frontline numbers and meet key skills gaps – Funding bid submitted	73.5	73.5	73.5
Total new growth	220.2	178.1	193.0
Total Growth for Budget Submission	254.8	229.1	224.1

The table below sets out the incremental position for both previously agreed growth, and new as growth.

Description			
	2024/25	2025/26	2026/27
Previously Agreed Growth	£m	£m	£m
Impact of revised capital programme	35.4	21.9	9.5
Police uplift costs	81.7	35.9	0.0
Impact of 23/24 growth following final budget	-0.1	0.0	0.0
Met Operating Model	-2.5	0.0	0.0
Miscellaneous including catering, Palestra lease	-0.1	0.0	0.0
Pension Administration	-4.0	0.0	0.0
Returner scheme	0.0	0.0	-10.9
Mobile phone roll out	2.6	6.0	-9.0
Stabilisation	4.8	-11.5	-9.5
Capability investment	-1.5	0.0	0.0
Total Previously agreed growth	116.3	52.3	-19.9
Changes to previously agreed growth			
Police uplift costs	-81.7	-35.9	0.0
Total changes to previously agreed growth	-81.7	-35.9	0.0
Impact of revised capital programme	35.4	21.9	9.5
Police uplift costs	0.0	0.0	0.0
Impact of 23/24 growth following final budget	-0.1	0.0	0.0
Met Operating Model	-2.5	0.0	0.0
Miscellaneous including catering, Palestra lease	-0.1	0.0	0.0
Pension Administration	-4.0	0.0	0.0
Returner scheme	0.0	0.0	-10.9
Mobile phone roll out	2.6	6.0	-9.0
Stabilisation	4.8	-11.5	-9.5
Capability investment	-1.5	0.0	0.0
Total final position for previously agreed growth	34.6	16.4	-19.9
New Growth			
Learning and Development programme	11.4	-1.1	5.4
Met Shared Services (MSS)- Indicative costs	8.8	4.2	-2.6
Two Tier Framework	3.3	0.9	0.0
Enhanced Returners Scheme	7.0	-9.8	7.6
Capital Financing	10.2	2.2	9.8
Connect	13.3	-2.6	-0.5
Performance and Insight	1.8	0.0	0.0
New Growth	2024/25	2025/26	2026/27
	£m	£m	£m

Fleet new contract transition	2.1	-2.1	0.0
OH Volumetric pressures	2.0	0.0	0.0
Trauma peer support	0.5	0.0	0.0
Building managers and auditors	1.5	0.0	0.0
Reassurance Cleaning	1.3	0.0	0.0
Licences	0.3	0.0	0.0
Data lines	2.3	0.0	0.0
Lawful Business Monitoring	1.1	0.0	0.0
Lawyers and para legals	2.1	0.0	0.0
Transformation Pressures excluding Connect	7.7	-4.1	-0.2
NMfL included in MTFP - Revenue / cost of borrowing	70.1	-29.7	-4.5
Addressing the officer and staff mix imbalance to boost frontline numbers and meet key skills gaps – Funding bid submitted	73.5	0.0	0.0
Total new growth	220.2	-42.1	14.9
Total Growth for Budget Submission	254.8	-25.7	-5.0

Savings and efficiencies 2024/25 to 2026/27 – (includes NMfL ambition investment requirements)

The table below sets out the cumulative position for both previously agreed savings, and new savings.

Description	2024/25	2025/26	2026/27
	£m	£m	£m
Previously Agreed Savings			
Property	-5.2	-6.1	-6.1
ICT savings	-8.4	-9.1	-9.1
PBB savings	-1.3	-2.0	-2.0
Efficiency programme	-41.0	-51.0	-61.0
One off Police pay adjustment	7.2	7.2	7.2
Total previously agreed savings	-48.7	-61.0	-71.0
Changes to previously agreed savings			
Property	3.9	3.9	3.9
ICT Savings	1.8	0.0	0.0
Efficiency Savings	18.3	22.6	26.9
Total changes to previously agreed savings	24.0	26.5	30.8
Final position for previously agreed savings			
Property	-1.3	-2.2	-2.2
ICT savings	-6.6	-9.1	-9.1
PBB savings	-1.3	-2.0	-2.0
Efficiency programme	-22.7	-28.4	-34.1
One off Police pay adjustment	7.2	7.2	7.2
Total final position for previously agreed savings	-24.7	-34.5	-40.2
New savings			
Prioritisation of existing services e.g. stopping, reducing services	-52.5	-50.0	-49.4
Review of centrally held budgets and supplies and services	-31.2	-17.1	-13.5
Investment Income	-13.0	-13.0	-10.0
Ongoing discussions to identify new funding streams otherwise further re-prioritisation of existing services as per above	-70.1	-40.4	-35.9
Funding bid submitted for addressing the officer and staff mix imbalance to boost frontline numbers and meet key skills gaps	-73.5	-73.5	-73.5
Total new savings	-240.3	-194.0	-182.3
Total Savings for Budget Submission	-265.0	-228.5	-222.5

The table below sets out the incremental position for both previously agreed savings, and new savings.

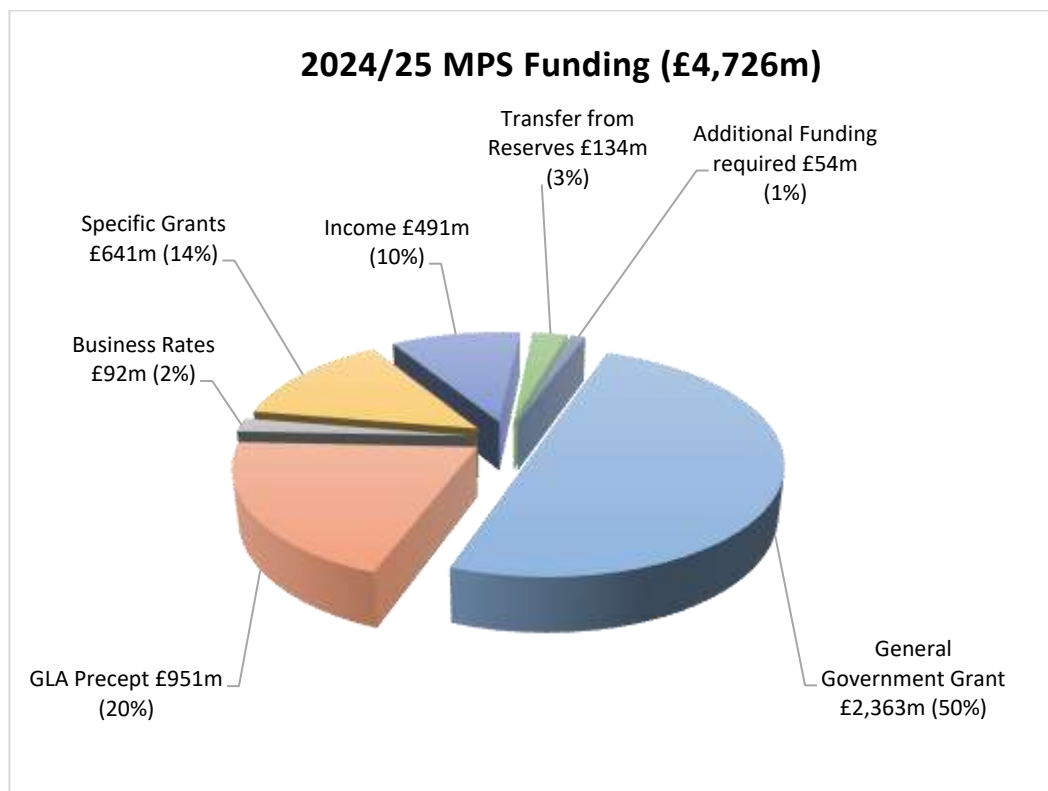
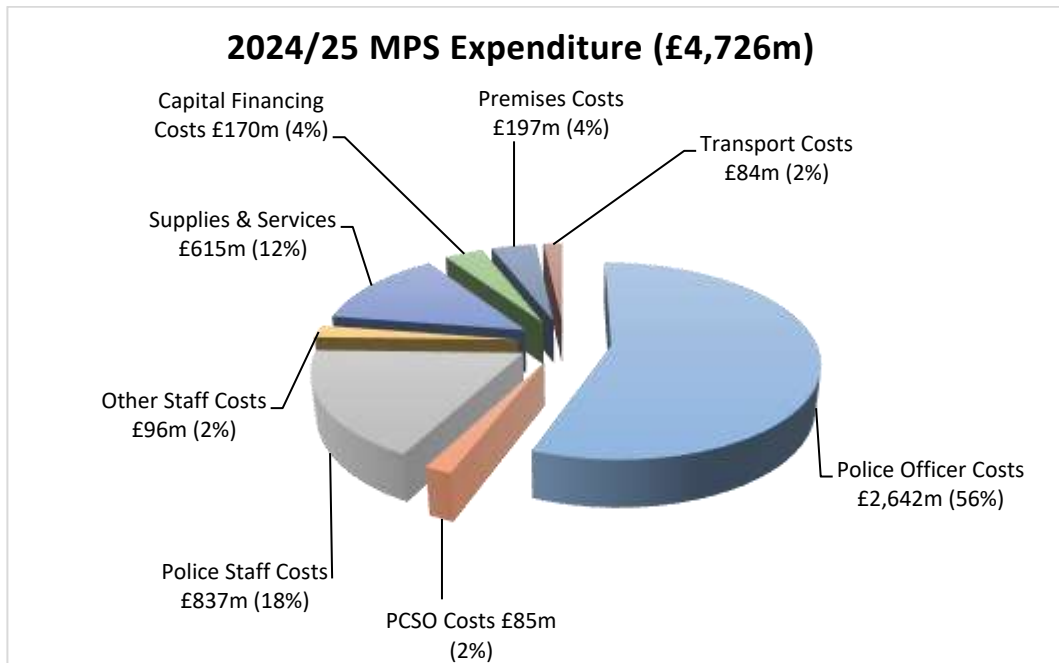
Previously agreed savings

Description	2024/25 £m	2025/26 £m	2026/27 £m
Property	-5.2	-0.9	0.0
ICT savings	-8.4	-0.7	0.0
PBB and Efficiency savings	-1.3	-0.7	0.0
Efficiency programme	-41.0	-10.0	-10.0
One off Police pay adjustment	7.2	0.0	0.0
Total previously agreed savings	-48.7	-12.3	-10.0
Changes to previously agreed savings			
Property	3.9	0.0	0.0
Evidential Data Archive	1.8	-1.8	0.0
Efficiency Savings	18.3	4.3	4.3
Total changes to previously agreed savings	24.0	2.5	4.3
Final position for previously agreed savings			
Property	-1.3	-0.9	0.0
ICT savings	-6.6	-2.5	0.0
PBB savings	-1.3	-0.7	0.0
Efficiency programme	-22.7	-5.7	-5.7
One off Police pay adjustment	7.2	0.0	0.0
Total final position for previously agreed savings	-24.7	-9.8	-5.7
New savings			
Re-prioritisation of existing services e.g. stopping, reducing services	-52.5	2.6	0.5
Review of centrally held budgets and supplies and services	-31.2	14.1	3.6
Investment Income	-13.0	0.0	3.0
Ongoing discussions to identify new funding streams otherwise further re-prioritisation of existing services as per above	-70.1	29.7	4.5
Funding bid submitted for addressing the officer and staff mix imbalance to boost frontline numbers and meet key skills gaps	-73.5	0.0	0.0
Total new savings	-240.3	46.4	11.6
Total Savings for Budget Submission	-265.0	36.6	5.9

Analysis of Change in Council Tax Requirement - (includes NMfL ambition investment requirements)

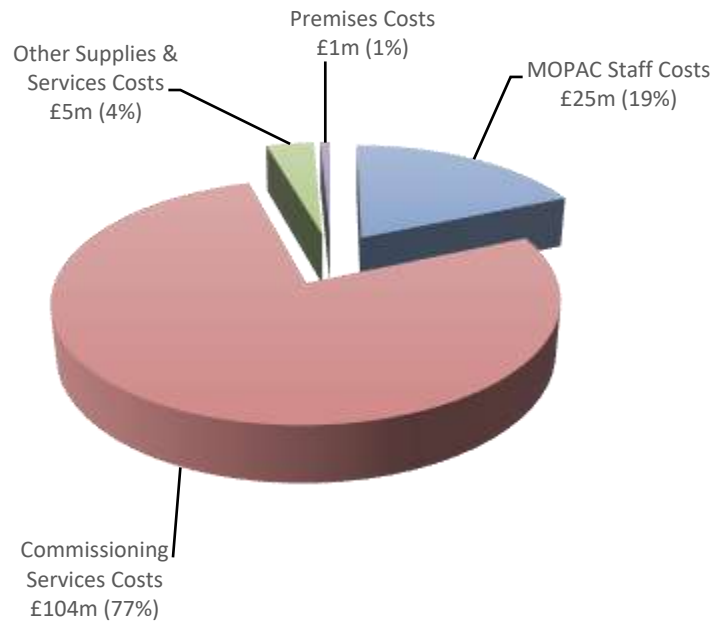
	£m
2023-24 council tax requirement	909.6
Changes due to:	
Net change in service expenditure and income	-193.9
Saving and Efficiencies including additional income	-265.0
Growth	254.8
Inflation	227.0
Use of reserves	55.9
Government grants	-33.2
Retained business rates funding	3.0
Council tax collection fund deficit	-7.2
2024-25 council tax requirement	951.0

MPS – 2024/25 budget - expenditure and funding pie charts - (includes NMfL ambition investment requirements)

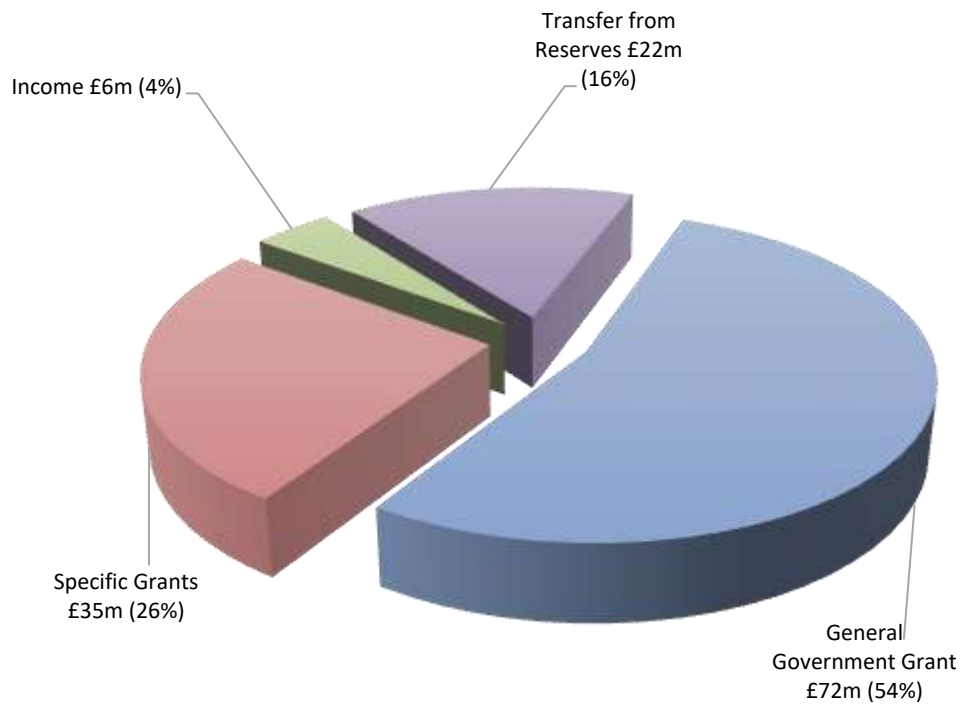


MOPAC – 2024/25 budget - expenditure and funding pie charts

2024/25 MOPAC Expenditure (£135m)



2024/25 MOPAC Funding (£135m)



Capital Expenditure inc NMFL Estate Strategy

	2023-24	2024-25	2025-26	2026-27	2027-28
	Forecast Outturn £m	Plan £m	Plan £m	Plan £m	Plan £m
PSD- Forward Works and BAU	40.2	46.1	66.3	42.5	66.0
Fleet	35.4	35.0	36.2	27.3	31.9
DDaT	68.1	67.3	59.6	66.6	59.3
CTPHQ	53.5	36.4	20.6	24.0	26.0
Met Operations- Covert and Forensics	8.8	11.5	5.5	9.2	6.4
Sub-total excluding Transformation	206.0	196.4	188.2	169.6	189.7
Optimising Contact and Response	62.2	51.8	0.3	3.0	0.0
Transforming Investigation and Prosecution	37.2	13.1	6.0	6.0	6.0
Operational Support Services	0.5	0.0	0.0	0.0	0.0
Learning and Professionalism Transformation	0.5	1.0	0.5	0.5	0.0
TD Flexible Service Portfolio & Met CC	5.4	7.3	5.6	1.2	0.4
PSD- Central Estates Programme	16.4	26.4	29.4	5.5	0.0
PSD- Transforming the Workplace	7.4	13.1	22.6	54.4	45.5
Transformation - long term estimate	0	3.0	2.0	9.0	12.0
NMFL Estate Strategy		34.2	101.3	215.0	232.0
Sub-total Transformation	129.6	149.9	167.6	294.6	295.9
Total	335.6	346.4	355.8	464.2	485.6
Funding					
Capital Receipts	15.3	11.9	0.8	10.9	1.0
Capital Grants & Third Party Contributions	63.1	46.0	29.8	32.1	30.6
Borrowing	253.5	288.5	312.9	417.9	450.7
Revenue Contributions	3.7	0.0	12.3	3.3	3.3
Total Funding	335.6	346.4	355.8	464.2	485.6

**Prudential Indicators for the Mayor's Office for Policing and Crime (MOPAC)
Including the Annual Statement of Minimum Revenue Provision**

It is recognised that the underlying demand for capital investment cannot always be fully satisfied by grant, capital receipts or revenue contributions due to present financial restraints and that external borrowing will be required. These Prudential Indicators have been calculated on the basis of the level of funding shown as available to support capital expenditure for the period 2023/24 to 2026/27.

The capital programme has been prepared on the basis that it is supported in part by capital receipts from the disposal of land and properties. The Mayor's Office for Policing and Crime (MOPAC) implements the consolidation of its accommodation primarily through the Estate Transformation Programme. Decisions will be taken as to how receipts generated through the rationalisation of the estate should be used; whether for further investment, or to repay or negate the need for borrowing to finance capital expenditure. It is to be recognised that the receipts value is subject to the uncertainties of the property market.

The affordability of the capital programme in terms of its impact on the MTFP will be closely monitored. Investment needs will be kept under review to align the longer-term plans of the MOPAC to available resources. The prudential indicators will be adjusted in light of any changes made.

Long-term liabilities include (a) Private Finance Initiative schemes; and (b) assets subject to finance leases. These items have been brought onto the balance sheet in accordance with technical accounting changes necessitated by compliance with International Financial Reporting Standards (IFRS).

Annual Statement of Minimum Revenue Provision

MRP is the amount out of revenue funding set aside each year as a provision for debt i.e., the provision in respect of capital expenditure financed by borrowing or credit arrangements.

For 2024/25, MOPAC/MPS will make a minimum revenue provision (MRP) in accordance with: -

- (a) the capital financing requirement method for any borrowing undertaken prior to 2008/09, and for all borrowing undertaken since that date supported through the revenue grant settlement; and
- (b) the asset life method for unsupported borrowing undertaken in 2008/09 and subsequent years as permitted by the flexibilities provided under the Prudential Code.

In accordance with The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2017/18, MRP in respect of (a) Private Finance Initiative schemes; and (b) assets subject to finance leases, both of which are now recorded as long-term liabilities, is made by recognition of an element of the annual unitary charge as repayment of principal.

Prudential Indicators

CIPFA's Prudential Code includes the following as a key indicator of prudence:

"In order to ensure that over the medium-term net borrowing will only be for a capital purpose, the authority should ensure that net external borrowing does not, except in the short term, exceed the total of Capital Financing Requirement in the preceding year plus the estimates of any additional Capital Financing requirement for the current and next two financial years".

MOPAC/MPS has adopted the CIPFA Code of Practice for Treasury Management in Public Services.

Capital Expenditure Indicators

Capital Expenditure (Current prices)

2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
335.6	312.2	254.5	249.2

This indicator states the total capital spend covering all capital expenditure, not just that financed by borrowing. These figures include assumptions of expenditure to be incurred on projects, which are expected to be funded from specific grants provided by central Government.

External Debt Indicators

Operational Boundary for External Debt

	2023-24 Approved (March 2023) £m	2023-24 Requested Approval (Nov 2023) £m	2024-25 Approved (March 2023) £m	2024-25 Requested Approval (Nov 2023) £m	2025-26 Approved (March 2023) £m	2025-26 Requested Approval (Nov 2023) £m	2026-27 Requested Approval (Nov 2023) £m
Borrowing	762.7	872.0	978.6	1,136.0	1,063.4	1,266.7	1,360.3
Long term liabilities	49.7	49.7	39.9	42.2	31.5	32.7	23.1
Total	812.4	921.7	1,018.5	1,178.2	1,094.9	1,299.4	1,383.4

The proposed Operational Boundary for external debt is based on the estimate of the most prudent but not worst-case scenario. The Authorised Limit provides additional headroom to allow, for example, for unusual cash movements and this equates to the maximum of external debt projected by this estimate.

Authorised Limit for External Debt

	2023-24 Approved (March 2023) £m	2023-24 Requested Approval (Nov 2023) £m	2024-25 Approved (March 2023) £m	2024-25 Requested Approval (Nov 2023) £m	2025-26 Approved (March 2023) £m	2025-26 Requested Approval (Nov 2023) £m	2026-27 Requested Approval (Nov 2023) £m
Borrowing	887.7	997.0	1,103.6	1,261.0	1,188.4	1,391.7	1,485.3
Long term liabilities	49.7	49.7	39.9	42.2	31.5	32.7	23.1
Total	937.4	1,046.7	1,143.5	1,303.2	1,219.9	1,424.4	1,508.4

This is the maximum amount that the MOPAC allows itself to borrow in each year. The MOPAC CFO reports that these authorised limits are consistent with the MOPAC's current commitments, existing plans and the proposals in the budget report for capital expenditure and financing. They are also consistent with the MOPAC's approved Treasury Management Policy statement and practices. They are based on the estimate of the most prudent but not worst-case scenario, with sufficient flexibility over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure and estimates of cashflow requirements.

Figures are calculated on a cumulative basis taking account of PWLB repayment schedules.

Actual External Debt (at start of financial year 2023-24)

	Actual as of 1 April 2023 £m
Actual External Borrowing	
Long Term	486.15
Short Term	0
Total	486.15
Long Term Liabilities	
PFI and Finance Lease Liability	54.29
Total	54.29
Total External Debt	540.44

Treasury Management Indicators

MOPAC has its own Treasury Management Strategy, and the Treasury Management Indicators are approved at the beginning of each financial year as part of the Treasury Management Strategy. Changes to the Accounting Code of Practice in respect of leases, which are to be finalised in their application to the public sector, may increase the Capital Financing Requirement but will not necessarily increase the need for borrowing as lease arrangements can include a borrowing facility.