

MDA No.: 1671

Title: The 2025-26 GLA Group Budget - Mayor's Office for Policing and Crime

1. Executive Summary

1.1 At the Budget & Performance meeting on 7 January 2025 the Committee resolved that:

Authority be delegated to the Chairman, in consultation with the Deputy Chair and party Group Lead Members, to agree any output arising from the discussion.

1.2 Following consultation with party Group Lead Members, the Chairman agreed the Committee's letter to the Mayor of London regarding the 2025-26 GLA Group Budget - Mayor's Office for Policing and Crime, as attached at **Appendix 1**.

2. Decision

2.1 **That the Chairman, in consultation with the Deputy Chair and party Group Lead Members, agrees the Committee's letter to the Mayor of London regarding the 2025-26 GLA Group Budget - Mayor's Office for Policing and Crime, as attached at Appendix 1.**

Assembly Member

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Printed Name: Neil Garratt AM, Chairman of the Budget & Performance Committee

Date: 21 January 2025

3. Decision by an Assembly Member under Delegated Authority

Background and proposed next steps:

- 3.1 The terms of reference for this investigation were agreed by the Chairman, in consultation with party Lead Group Members and the Deputy Chair, under the standing authority granted to Chairs of Committees and Sub-Committees. Officers confirm that the letter and its recommendations fall within these terms of reference.
- 3.2 The exercise of delegated authority approving the letter will be formally noted at the Budget & Performance Committee's next appropriate meeting.

Confirmation that appropriate delegated authority exists for this decision:

Signature (Committee Services): Hannah Barlow, Principal Committee Manager

Printed Name: Hannah Barlow

Date: 13 January 2025

Financial Implications: NOT REQUIRED

Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signature (Finance): Not Required

Printed Name:

Date:

Telephone Number:

Legal Implications:

The Chairman of the Budget & Performance Committee has the power to make the decision set out in this report.

Signature (Legal): 

Printed Name: Rory McKenna, Monitoring Officer

Date: 21 January 2025

Email: rory.mckenna@london.gov.uk

Supporting Detail / List of Consultees:

- Krupesh Hirani AM;
- Zack Polanski AM;
- Gareth Roberts AM.

4. Public Access to Information

- 4.1 Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.
- 4.2 If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.
- 4.3 **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, until what date:

Part 2 – Sensitive Information:

Only the facts or advice that would be exempt from disclosure under FoIA or EIR should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

Lead Officer / Author

Signature: Gino Brand

Printed Name: Gino Brand, Senior Policy Adviser

Date: 13 January 2025

Countersigned by Executive Director:

Signature: 

Printed Name: Helen Ewen, Executive Director, Assembly Secretariat

Date: 21 January 2025



Neil Garratt AM
Chairman of the Budget and Performance Committee

Sir Sadiq Khan
Mayor of London
(Sent by email)

23 January 2025

Dear Mr Mayor,

Re: MOPAC 2025-26 Budget

I am writing to you on behalf of the Budget and Performance Committee, following its meeting on 7 January 2025. This is the third of a series of letters on your 2025-26 Budget proposals.

During the Committee's meeting, we spoke with representatives from the Metropolitan Police Service (MPS), the Mayor's Office for Policing and Crime (MOPAC), the Violence Reduction Unit (VRU) and the Deputy Mayor for Policing and Crime regarding MOPAC's budget submission, which was published on 22 November 2024.

The Committee appreciates that this is an early version of the budget and there are many issues that need to be resolved, including how the required level of savings and efficiencies are going to be achieved. The Committee notes that the published MOPAC 2025-26 Budget was prepared before the Provisional Local Government Finance Settlement for 2025-26 and Provisional Police Grant Report (England and Wales) 2025-26. These now indicate the possible availability of £66.1 million of additional grant funding, and additional funding from council tax of £30.5 million subject to the Mayor's decision on council tax rates.¹

The key issues identified by the Committee following this meeting are set out below.

¹ Note to the Budget and Performance Committee from the GLA Chief Finance Officer, 7 January 2025

1. Officer reductions as a consequence of budget constraints

The 10 December 2024 Commissioner's Report to the London Policing Board highlighted an increase in the MPS' budget gap for 2025-26- from an anticipated £300 million to £450 million. It stated that this was *"driven by unfunded pay increases, the reversal of non-recurrent 2024-25 savings, exhaustion of our reserves, the need to invest in our estate and the need to continue to invest in reform."*²

First, the Committee is concerned and disappointed that there is no reference to this £450 million budget gap in the draft 2025-26 MOPAC budget that was published on 22 November 2024.

Second, this budget gap has serious potential consequences: Four fifths (80 per cent) of MOPAC's almost £5 billion revenue budget is staff costs.³ The MPS Chief Finance Officer told the Committee that there is now a possibility that the MPS will need to cut 2,300 officers. She said that the Met Commissioner had informed the London Policing Board of this expected reduction in December 2024.⁴

We welcome this clarification of how the proposed 2025-26 Budget will affect the number of Police Officers, but find it disappointing that MOPAC and the Mayor would publish a budget that is so heavily driven by the number of staff without disclosing the number of police officers that would be funded by that budget. We see no reason why the reduction in the number of Police Officers by 2,300 could not have been included in the Consultation Budget on the basis that it had already been made public by the Commissioner and we feel that this would have better informed the Consultation process.

Since then, the Draft Consolidated Budget was published on 15 January 2025, and this increased the proposed funding for Police Officer pay from £2,572 million⁵ to £2,650 million, or by £78 million.⁶ This suggests that the planned reduction in officer numbers may be somewhat mitigated. For example, we were told that the budget assumption of the average cost of a police officer was £77,000.⁷ The additional £78 million proposed funding for police officer pay could therefore fund around a thousand Police Officers, and reduce the previous planned reduction of 2,300 to 1,300, depending on the timescales involved.⁸ However, these are our own estimates which are not reliable given the limited information available. MOPAC has not provided an official account of its planned officer reductions. We urge it to do so as quickly as possible.

Implementing the reductions

Police Officers are not employees, but officers under the Crown, and there are no provisions for making Police Officers redundant.⁹ Any reduction in Police Officers will need to be through officers voluntarily leaving the MPS. If fewer officers leave than required, then the 2025-26 MOPAC Budget will not be affordable and further reductions will need to be made elsewhere. The number of Police Officers leaving the MPS has fluctuated over the last five years, from a

² P3, [Commissioners Report](#), 10 December 2024

³ Budget and Performance Committee, 7 January 2025

⁴ Budget and Performance Committee, 7 January 2025. We note that this is not included in the LPB minutes of the meeting.

⁵ P46, [Mayor's Consultation Budget 2025-26](#), 4 December 2024

⁶ P41, [Mayor's Draft Consolidated Budget - Part 2 Explanation of Proposals 2025-26](#), 15 January 2025

⁷ Budget and Performance Committee, 7 January 2025

⁸ (2,650m-2572m)/77k

⁹ [Institute of Fiscal Studies](#), December 2016

high of 2,361 leavers in 2022-23 to a low of 1,600 in 2020-21.¹⁰ According to Ian Wiggett, the Associate Director at the consultancy World Policing Advisory:

“To achieve a 2,300-officer cut, the first question is: will that be met through natural wastage? It will be struggling to do that. About 1,700 a year leave the MPS on average so although retention has been an issue, it might be practically difficult.”¹¹

The MPS Chief Strategy and Transformation Officer told the Committee that:

“We are as an executive team working through the balance of what level we are going to recruit to in terms of making sure that we can live within the budget but also keep the churn of new officers, particularly in the diversity sense where we recruit more diverse officers than we do currently hold within the organisation. There is a sense of how we carry on recruiting and at what level that will be. Best estimates are probably half to a quarter.”¹²

If the planned reduction in Police Officer numbers is to become reality, then the MPS may require an amended approach to keeping London safe.

Recommendations:

- 1. The MPS should provide an updated proposal on the level of officer reductions it expects in 2025-26, reflecting the additional funding secured in the January Consolidated Budget. It should also share its analysis of how it will achieve any planned reductions with the Committee.**
- 2. In future years, the MPS should publish the underlying assumptions of Police Officer and Staff numbers as part of its initial budget submission. These should then also be included in the Mayor’s Consultation Budget.**

2. Addressing the £450 million MPS budget gap

The Committee accepts the extent of the financial challenges for the MPS for the 2025-26 Budget. It heard on the 7 January 2025 from the CFO of the MPS that:

“going into the budgeting round, if I looked at the difference between our requirement and the funding that we presumed would be available, there was a shortfall of £450 million. That is the budget gap that we started with in terms of planning the 2025-26 financial year. What we have done through the budget round is close that gap through a series of different measures.”¹³

Although it was confirmed later in the meeting that the specific measures have yet to be determined, the MPS CFO stated that: *“faced with a £450 million gap, [we have set ourselves] a challenging 2.5 per cent efficiency target for the MPS. That will be hard to deliver but we think it is deliverable.”¹⁴* He also went on to say that:

“In setting the budget and closing that £450 million gap, we did a lot of work to evaluate how we would close that gap and the level of potential savings that some of

¹⁰ [Police workforce England and Wales statistics](#), Figures taken from the 31 March release of the corresponding year. Leavers = Table_JL4, “Leavers including transfers” or “All Leavers”

¹¹ [Budget and Performance Committee](#), 8 January 2025

¹² [Budget and Performance Committee](#), 7 January 2025

¹³ [Budget and Performance Committee](#), 7 January 2025

¹⁴ [Budget and Performance Committee](#), 7 January 2025

*the tough choices could generate. We are currently working through what those tough choices will be.*¹⁵

In a report to London Policing Board in December 2024, the Met Commissioner had identified some *“tough choices we may have to implement in a worst-case scenario budget deficit”*, including:

- *“Scaling back our ability to tackle serious violence and organised crime by cutting the teams that proactively target some of the most harmful offenders, as well as the covert teams that support them; this includes reducing the size of the Flying Squad and removing its firearms capability, with that support coming from other armed commands.*
- *Significantly cutting back on our dogs unit and the mounted branch and reducing our ability to respond and proactively police incidents on our roads.*
- *Making cuts to the teams that help us get ahead of criminals, track down wanted offenders, and gather vital evidence, by moving all our intelligence teams into a single command and reducing their size, cutting our interceptor teams (meaning less support for the frontline in targeting serious threats and potentially high-risk wanted persons remaining at large for longer), and reducing our forensic services in traditional areas such as fingerprints and DNA.*
- *Focusing more on delivering core policing activity in London’s communities by cutting the specific teams that currently police the Royal Parks, brigading all officers that engage specifically with young Londoners in a more cost-effective way, reducing opening hours for some of our front counters across London, and reducing the number of investigations into historic crimes committed many years or decades ago.”*¹⁶

The operational impacts of these potential cuts are evidently serious. However, it is not clear whether any assessment has been made of the exact costs and savings expected as a result of implementing any of the above. At our meeting, officers did not share any further information on the estimated level of potential savings for any of the “tough choices” that they had already identified.¹⁷

For instance, in relation to the last example offered by the Commissioner above, we asked officers whether cutting the Royal Parks teams would lead to their workloads falling instead to nearby Safer Neighbourhood Teams, who are without the benefit of expertise in the specific types of crime associated with the Royal Parks. Adrian Scott, Chief Strategy and Transformation Officer, MPS, said:

*“they are tough choices for a reason [...] I can assure you that each of the strands will have operational leaders involved in terms of the understanding of the operational impact and all of those will be played through as part of the work that we are doing now to make that assessment on which of the tough choices we need to proceed with.”*¹⁸

The Committee is also concerned about the loss of expertise. Ian Wiggett, the Associate Director at World Policing Advisory, told us that if cuts to specialist units lead to expertise being lost rather than redirected, then the MPS’ *“ability to scale [those units] back up again takes a while and you lose that experience and knowledge quite quickly”*.¹⁹ Given these concerns, it is

¹⁵ [Budget and Performance Committee](#), 7 January 2025

¹⁶ P3, [Commissioners Report](#), 10 December 2024

¹⁷ P14, [MOPAC budget submission 2025-26](#), 22 November 2024

¹⁸ [Budget and Performance Committee](#), 7 January 2025

¹⁹ [Budget and Performance Committee](#), 8 January 2025

important that any assessment of potential spending reductions takes a broad view of the wider implications.

Savings and efficiencies

The MOPAC 2025-26 Budget submission states starkly that *“over £1.2 billion of gross savings have already been delivered since 2012-13 and, as was the case in 2024-25, it is no longer possible to close gaps through efficiencies alone.”*²⁰

The 2025-26 MOPAC Budget Submission included a planned £273 million of new savings and efficiencies next year. However, in the same budget document, it acknowledged that the MPS had so far failed to deliver its £103 million of planned savings for the current budget year 2024-25, and considers that these are no longer deliverable.²¹

Of the total savings required, £75 million was anticipated to come from efficiencies.²² This is from the MPS targeting efficiency savings of 2.5 per cent of its running costs. In his 10 December 2024 report to the London Policing Board, the Commissioner said: *“We are committed to making ourselves as lean as possible as an organisation, so we are first seeking to realise £100 million worth of efficiencies.”*²³ The January 2025 Draft Consolidated Budget does not provide updated figures on expected savings and efficiencies, though there is potential that these could be somewhat reduced by the additional funding announced, this has not been confirmed.

The 2025-26 MOPAC Budget Submission stated that: *“The final budget in March 2025 will ensure that the full efficiency target is supported by detailed delivery plans and impact assessments.”*²⁴

We are not convinced that it is realistic to plan to realise £273 million of savings in 2025-26, when it has been impossible to deliver £103 million of planned savings and efficiencies this year.

Recommendation:

3. The Final Draft Consolidated Budget 2025-26 should include:

- a) Further evidence on how MOPAC and the Met intend to achieve the level of required savings and efficiencies next year.**
- b) A summary of the likely operational impact of any proposed savings and efficiency programmes and evidence of the prioritisation process of funding of all MPS activities.**

3. Change in accounting presentation of specific government grants

MOPAC has changed how it presents its planned income and spending of specific government grants in its budget for next year.

MOPAC no longer includes details of how it will spend specific government grants in its departmental budget breakdown (the ‘objective budget’). This has two consequences:

²⁰ P4, [MOPAC budget submission 2025-26](#), 22 November 2024

²¹ P12, [MOPAC budget submission 2025-26](#), 22 November 2024

²² P13, [MOPAC budget submission 2025-26](#), 22 November 2024

²³ P3, [Commissioners Report](#), 10 December 2024

²⁴ P13, [MOPAC budget submission 2025-26](#), 22 November 2024

- First, it means we can no longer tell how these large grants are being divided by department, or how specific departments' funding is changing year to year.
- Second, it gives the misleading impression in the budget totals that the departments are spending less money in 2025-26 than in previous years, as grant-funded expenditure is no longer included.

We asked the MPS Chief Finance Officer on 7 January 2025 about this change, specifically raising its consequence for our understanding of the Specialist Operations department expenditure. This was presented in the 2025-26 MOPAC budget submission as a small source of income (£4 million),²⁵ when it is actually an operation that costs the MPS around £462.8 million.²⁶ He explained that:

*"...the MPS's specialist operations are subject to specific grants from the Home Office. The budget that is out for consultation is based on the core policing grant and the other elements of the London part of the MPS. The specialist operations are funded through a separate grant. Quite often in the budget they will net off and look like either a zero cost or a small income line, because the MPS may have received more income than it is spent on specialist operations. The reason it is presented like that is the virtue of how the funding flows and those specialists - quite often national - operations are subject to specific grants that are different from what was outlined in the provisional police settlement in early December."*²⁷

We are grateful for this clarification, but it is still not clear why this change in presentation was made this year, or why it was repeated in the Draft Consolidated version of the budget in January 2025. There may be good reasons for this change, but we have not yet been informed of them. At present, the new approach means we have been prevented from comparing departmental spending from year to year.

Recommendations:

- 4. We have not heard the merits of MOPAC's change in budget format, and are concerned by the consequences for our scrutiny. MOPAC should respond to this letter with a clear explanation of its change in budget presentation, which removes specific government grants from its departmental expenditure breakdown. Alternatively, it should ensure that full departmental expenditure breakdowns are included in the Final Draft Consolidated Budget.**
- 5. In future, MOPAC (and all other functional bodies) should explicitly indicate when they are making changes to their budget formats and explain these as part of their initial submissions each year.**

4. MOPAC Estate strategy for police buildings

MOPAC has been developing an Estate Strategy for several years. This is expected to include a full account of its physical properties and planned approach to use or dispose of its buildings, including local police stations, training facilities, and head office properties. The strategy is important because it is expected to set out plans for the physical presence of police stations in communities, and also to guide choices about sale of properties, which could be a source of funding for the improvements to the police estate.

²⁵ P10, [MOPAC budget submission 2025-26](#), 22 November 2024

²⁶ According to last year's budget, see: P50 [The Greater London Authority Consolidated Budget and Component](#)

²⁷ [Budget and Performance Committee](#), 7 January 2025

This Committee (and the Police and Crime Committee) has been calling for the publication of this strategy for some time. We were therefore encouraged to hear that there appears to be a finished document and when asked when it would be available Adrian Scott, Chief Strategy and Transformation Officer, MPS said “I would expect it to be this quarter”.²⁸ However, this news was delivered with the concerning comment that the new strategy was already understood to be unaffordable. Adrian Scott, Chief Strategy and Transformation Officer, MPS, said:

“The executive team has considered the Estate Strategy and, while recognising it is an unaffordable Estate Strategy, we have the Estate Strategy in place. Those conversations will continue with MOPAC and other colleagues in terms of prioritising.”²⁹

He did go on to indicate that the Met had hopes of additional funding from the Government:

“As we have talked about earlier, the Comprehensive Spending Review (CSR) will actually be the opportunity where we will start to look at how the Estate Strategy may become more affordable.”³⁰

We recognise that elements of government funding are still highly uncertain. However, after years in development, it is disappointing that the strategy is not based on the reality of resources available now. Should more funding become available, a strategy can always be adapted for improved circumstances.

It is not clear how the delay in development of the strategy has actually impacted decisions about individual buildings belonging to MOPAC.

Recommendations:

- 6. MOPAC should commit to sharing the final Estate Strategy with this Committee by the end of March 2025. It should also set out in a letter how it expects to address the funding gap in the strategy.**

5. Reserves

The GLA Group holds reserves at a prudent level to manage financial risks and support future service delivery. The Mayor’s 2025–26 Budget Guidance sets out that:

“The Local Government Finance Act 1992 requires authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. When reviewing their medium-term financial plans and preparing their annual budget, the GLA and its functional bodies should have regard to the level and planned use of earmarked reserves to support its spending plans, as well as ensuring there is adequate contingency within a general reserve to meet unexpected demands or emergencies.”

MOPAC’s reserves have fallen from £569 million in March 2022 to £371 million in March 2024. The level of reserves is projected to continue falling to £99 million in March 2028.³¹

²⁸ [Budget and Performance Committee](#), 7 January 2025

²⁹ [Budget and Performance Committee](#), 7 January 2025

³⁰ [Budget and Performance Committee](#), 7 January 2025

³¹ [Budget and Performance Committee](#), 7 January 2025

This is a cause of concern, as we heard from the MOPAC CFO who said that external auditors had advised that £100 million is the absolute minimum for reserves. However, her professional view is that £125 million is the absolute minimum.³² The budget projection is set to fall below both.

At the 7 January Budget and Performance Committee, the MPS CFO said:

“what we are currently looking at is how we might rebuild some of those reserves to make sure that the robustness and the resilience is there. The reason that we have filled the £450 million gap through tough choices and efficiencies is because we cannot comfortably go further with our reserves without damaging our medium-term financial resilience.”³³

We agree. We have previously noted very high MOPAC reserves, so it is right that these are being put to use in the coming three years. However, the speed at which the reserves will be used will be unsustainable by 2028, and the plan relies on MOPAC hitting its saving and efficiency targets at the same time. MOPAC is right to exercise caution and limit the reduction to just under £100 million. It should also urgently develop its plan for returning to a £125 million reserve position by 2030.

Recommendation:

7. The Final Draft Consolidated Budget 2025-26 should set out what options are being considered for rebuilding the level of reserves by 2030.

We appreciate the GLA officers’ attendance and engagement with the Budget and Performance Committee. I look forward to your response to this letter by 14 February 2025.

Yours sincerely,



Neil Garratt AM

Chairman of the Budget and Performance Committee

³² [Budget and Performance Committee](#), 7 January 2025

³³ [Budget and Performance Committee](#), 7 January 2025