MOPAC and MPS Final Budget 2025-26 and Medium Term Financial Plan 2026-27 – 2027-28

1. Introduction

1.1. The Mayor's top priority is keeping Londoners safe and this final budget has been developed to support this aim. The Mayor's consolidated budget for the Greater London Authority (GLA) group for 2025-26 was agreed on 25 February 2024 and is published on the GLA website (The Mayor's budget | London City Hall).

1.2. It brings together the plans of the GLA and its functional bodies of which the Mayor's Office for Policing and Crime (MOPAC) is one. MOPAC's budget includes the budget for the Metropolitan Police Service (MPS) and the Violence Reduction Unit (VRU).

1.3. Following the completion of the Mayor's budget process, this report sets the final budget for MOPAC, MPS and the VRU. It sets out a number of changes since the draft published in November 2024 as well as updates from the most recently confirmed funding allocations from Government and the Mayor.

1.4. 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. In 2022 the Mayor commissioned Baroness Casey to conduct an independent review of culture and standards in the MPS.

1.5. In 2023, the Commissioner launched A New Met for London (NMfL), a plan to reform the MPS and address the findings of Baroness Casey's review, and those from the His Majesty's Inspectorate of Constabulary and Fire and Rescue Services' (HMICFRS) PEEL inspection which placed the MPS in the ENGAGE enhanced monitoring phase in June 2022. In January 2025, the MPS was removed from ENGAGE following improvements made. The Mayor continues to work with the Commissioner to deliver the reform needed, with £104.8 million included in the 2025-26 budget for this purpose.

1.6. Given the timelines for setting the budget and Medium Term Financial Plan (MTFP), these documents have been prepared under the priorities of the Police and Crime Plan 2022 – 2025 and what was known at the time in relation to the new Police and Crime Plan, a draft of which was published on 18 December 2024 for consultation and the consultation closed on 12 February 2025. The final version of the Police and Crime Plan 2025-29 was published on 28 March 2025, and will inform the budget and MTFP for future years.

2. MPS Funding and Expenditure Overview

2.1. Core funding for policing is provided through the Police Grant and special grants awarded by the Home Office on an annual basis. In addition, the Mayor raises funds through the precept and by allocating funding from business rates. Funding allocations beyond 2025-26 are subject to the outcome of the Government's current 2025 Spending Review and therefore future forecasts have been made based on a number of assumptions.

2.2. The Government published the final Police Settlement for 2025-26 on 30 January 2025. This final settlement included the Home Office Police Grant and police formula grant (formerly paid by DLUHC), along with the legacy council tax support and freeze grant funding for local policing bodies and, for both MOPAC and the City of London Police, the National and International Capital City grant.

2.3. The settlement included additional funding of £231.2 million for the MPS and confirmed that the precept for local policing bodies in England could be increased by a maximum of £14 for police services before a referendum would be required. The Mayor has approved an increase in the Band D precept of £14 for 2025-26 on that basis. In total police funding has increased by £320.6m.

2.4. The Government announcements on funding are for 2025-26 only. As noted above, the 2025 Spending Review will determine funding levels from 2026-27 and beyond.

2.5. Other key funding updates are:

- **The National and International Capital City Grant (NICC)** which is intended to reflect the additional costs that the MPS, as a capital city police service, bears through the pressure of most national policing activity, as well as major events and significant protest activity was increased by £63.3 million to £248.7 million, the first time the grant has been increased since 2019-20. Whilst the additional grant is welcome, the Home Office's 2015 independent review identified a £159 million annual gap in funding (at 2015 prices). Taking into account inflation, there remains a gap of at least £180 million.
- **Neighbourhood Police Grant** – The Government announced a doubling of this new grant as part of the final settlement, increasing the MPS' allocation from £22.8 million to £45.6 million.
- **One-off funding**- Following representations by the Mayor and Commissioner, the Home Office has provided MOPAC with one-off funding of £50 million. Received in 2024-25, the grant is to support police officer strength and is budgeted for use in 2025-26 to protect 600 FTE. This is discussed further in para 3.10 – 3.13 below.
- **Counter Terrorism Grant** – Final figures have only just been confirmed, the detail of which is currently being worked through.

2.6. The Mayor also made available additional funding of £10.4 million in his Final GLA Group Budget, of which £1.0 million in 2025-26 and £1.5 million from 2026-27 onwards will be retained by MOPAC to adapt and improve Sexual Assault Referral Centre (SARC) services. SARC services must be accessible to any person in England who needs support as a consequence of experiencing sexual assault and/or abuse anywhere and at any time (recent or non-recent). Without this additional funding from 2025-26, London's SARC provision will be non-compliant with new forensic standards that come into effect in October 2025. The funding is essential to support victims of sexual assault and/or abuse and will improve criminal justice outcomes for these cases. The balance of £8.9 million has been allocated to the MPS budget on a recurrent basis and without condition from 2026-27, with £9.4m being allocated in 2025-26.

2.7. In total the Mayoral share of MPS funding is now £1.2 billion, representing 25 per cent of funding, an increase from 19 per cent in 2015-16. However, policing is largely funded through national taxation with the balance of funds £3.4 billion/75 per cent provided by central government. The Mayor and the Commissioner will continue to work with the new government to secure additional funding for the Met.

2.8. The multi-year 2025 Spending Review is now a key focus. Joint representations from both MOPAC and MPS will continue to be made setting out our ambition for policing London, the need to grow resources and to invest more in technology and estate. Pending the outcome of the Spending Review, the 2025-26 budget has been prepared to take account of known factors. Annex 1 outlines the MPS' aspiration that has been used to build its Spending Review bid.

3. What this budget means for policing London

3.1. This final budget is substantially improved compared to November's draft budget due to the additional funding explained in Section 2 above.

3.2. However, delivering a balanced budget still requires the MPS to reduce its workforce in 2025-26 (although by less than the scale envisaged within November's draft budget) and change some of its service delivery ('tough choices') to accommodate this, as well as deliver non-workforce efficiencies.

3.3. Before detailing the impact of this budget on workforce, the tough choices and efficiencies, it is important to stress that these proposals have been developed strategically and with care. This budget:

- Retains focus on neighbourhood policing and public protection, continuing to protect recent NMfL investment in these areas as well as proactive and preventative activity.
- Improves capacity and capability to prevent and detect volume crime and ASB.
- Seeks to reduce the impact of tough choices based on NMfL and guiding principles, and identify areas of performance that would benefit from investment.
- Ensures the MPS continues to reform and fix its foundations, and make targeted investment in digital, supporting the frontline to change culture and deliver for London.

3.4. In line with NMfL priorities and the Mayor's Police and Crime Plan, this budget protects certain areas which cannot be compromised. In line with MPS guiding principles of communities-first and frontline focused, MPS remains committed to building the strongest ever neighbourhood policing. This budget has therefore limited the impact of workforce reductions on the frontline and enables continued investment in reforming how MPS fights crime locally. This includes not making any cuts to already overstretched emergency response teams, whom the public rely on at times of crisis.

3.5. Improving outcomes for victims of rape, serious sexual offences and child abuse and exploitation remains of the highest priority for the MPS so investment in the teams working across public protection has been maintained. MOPAC's investment in transforming London's SARC provision also supports these outcomes.

3.6. Changing MPS culture remains integral to reform, and so MPS will continue to build its Culture, Diversity and Inclusion Directorate, deliver more leadership training, improve vetting processes and how the MPS deals with misconduct and complaints to drive the highest standards.

3.7. MPS are determined to fix the foundations of the MPS, including continuing the Command & Control transformation programme, already underway, in 2025-26, providing improved uniform and body armour to the frontline, and ensuring new recruits have the training they need to work effectively with communities. Although our assessment is that we need much greater investment in technology, we will continue to invest in critical data platforms and infrastructure.

3.8. Ensuring swift criminal justice outcomes for victims relies on having a strong case, so MPS will continue to transform how they manage exhibits. Such a deliberate approach is critical if the MPS is to be more aligned to the crime threats faced and the priorities and needs of London's communities.

3.9. A key risk to the MPS is special grant funding. The largest MPS investigation funded by special grant is Op Northleigh regarding the Grenfell Tower fire that occurred in June 2017 and resulted in 72 people losing their lives. The investigation is the one of the largest criminal investigations ever undertaken in the UK. The investigation and any criminal proceedings are expected to run for several financial years beyond 2025-26. Based on discussions with the Home Office to date, the MPS will be required to meet a small funding shortfall in special grant next year. The MPS remains in continued discussions with Government on this nationally significant investigation.

Workforce

3.10. The Met's workforce next year will reduce by c1,419 FTE (a reduction of 1,264 officers, 109 staff, and 46 PCSOs). This is a significant improvement compared to the position within the November draft budget. However, it does mean that from a starting strength of 45,348 FTE, the MPS are projecting to end March 2026 at 43,929 FTE.

3.11. This projection is based on:

- Fully using the MPS allocation of Home Office Neighbourhood Policing Grant of £45.6 million.
- A decrease in income on policing London's roads and transport network from TfL of £10 million against the position presented in the November budget, and expected at this stage to reduce further in 2026-27. This is based on an agreement – subject to contract – between MPS and TfL on what services it is appropriate for MPS to provide, given the changes introduced under NMfL.
- Using the one-off £50 million funding from the Home Office fully in 2025-26 to protect the maximum policing strength for London of 600 FTE for one year.

3.12. To note there is some risk in this approach as without confirmation that this £50 million funding will be continued in 2026-27, the MPS may have to reduce its workforce (officers and staff) by 600 FTE by the end of March 2026 to manage within its budget in the next financial year. However, given the Government is undertaking a multiyear Spending Review in 2025, the Mayor, MOPAC and the MPS are lobbying for this funding to be baselined in future funding settlements, as well as other areas of funding shortfall to be addressed.

3.13. Should the 2025 Spending Review not baseline this funding or should it prove to be generally unfavourable, the MPS will have to take measures in 2025-26 to reduce its workforce and commence 2026-27 at an affordable level. A process has been agreed between MOPAC and MPS to keep this and other developments under review and ensure that timely decisions are taken, as the future funding environment becomes clearer. We will be careful with operational decision making ahead of the Spending Review.

3.14. The Mayor, MOPAC and MPS are jointly working to secure the best outcome and highest workforce for London.

Tough Choices

3.15. To deliver a balanced budget the MPS has had to identify tough choices that will change the current design of its organisation and account for the net reduction of workforce strength explained above. This includes significant civilianisation of around 500 posts – freeing-up officers to be deployed into priority operational posts. Delivering the tough choices will require large scale workforce reorganisation including redeployment, retraining and reskilling of officers and staff.

3.16. The MPS' current programme of tough choices and workforce efficiencies delivery is set out in Annex 2. It does not yet reflect fully the mitigating impact of all income received – approximately £32 million income included in the budget numbers, and accounted for in the workforce projections explained above, was confirmed very close to budget finalisation, and so the impact of this on tough choices has not been confirmed. Once applied, this additional income of £32 million will contribute to reducing some depth and scale of tough choices or may mean that some of these services can be retained at existing levels.

3.17. This process is on-going as the MPS continues to develop the design and understand the more detailed impacts of its tough choices and their collective impact on the organisation. The MPS will update its list of tough choices and delivery timescales once all design work is completed.

3.18. To deliver these changes, the MPS has set up a dedicated capability ('the Engine Room') to bring together the core functions that will oversee and drive the design and delivery of this organisational change in 2025-26. In implementing these changes, the Engine Room will seek to minimise the impact on MPS's people and on Londoners.

Efficiencies

3.19. Also necessary to achieve a financially sustainable position for 2025-26 is a non-workforce efficiency plan totalling £75 million. This includes savings in the following areas:

- Running the back office – reduced spend on expenses, travel, catering, stationery, printing, utilities, learning and recruitment - £8 million
- Managing the Supply Chain – Reduced spend across external suppliers including contractors and consultants - £56 million
- IT & Digital – Decommissioning legacy systems and equipment - £6 million

3.20. A further £25 million of efficiencies will be achieved through delivery of the 'tough choices' referenced above. Annex 3 provides further detail on MPS's efficiency plan for 2025-26.

4. Medium Term Financial Plan 2025-26 – 2027-28

4.1. This report sets out the MOPAC/MPS revenue and capital budgets for the period 2025-26 to 2027-28.

4.2. For MPS there is a forecast gap of £150.3 million in 2026-27 which rises to £203.6 million in 2027-28. For MOPAC, there is a gap of £4.2 million in 2026-27 reducing to £4.1 million in 2027-28.

4.3. The MPS Capital Programme totals £1,510.0 million between 2024-25 and 2028-29. This expenditure will be funded from a combination of capital receipts of £44.5 million, capital grants and third-party contributions of £187.6 million, borrowing of £1,268.0 million and revenue contributions of £9.9 million. The capital plan for 2025-26 has been further developed since November. Key changes include the reflection of the Command and Control Full Business Case requirements which were lower than originally projected, and re-profiling of spend across the portfolio to reflect realism and therefore avoid unnecessary borrowing costs.

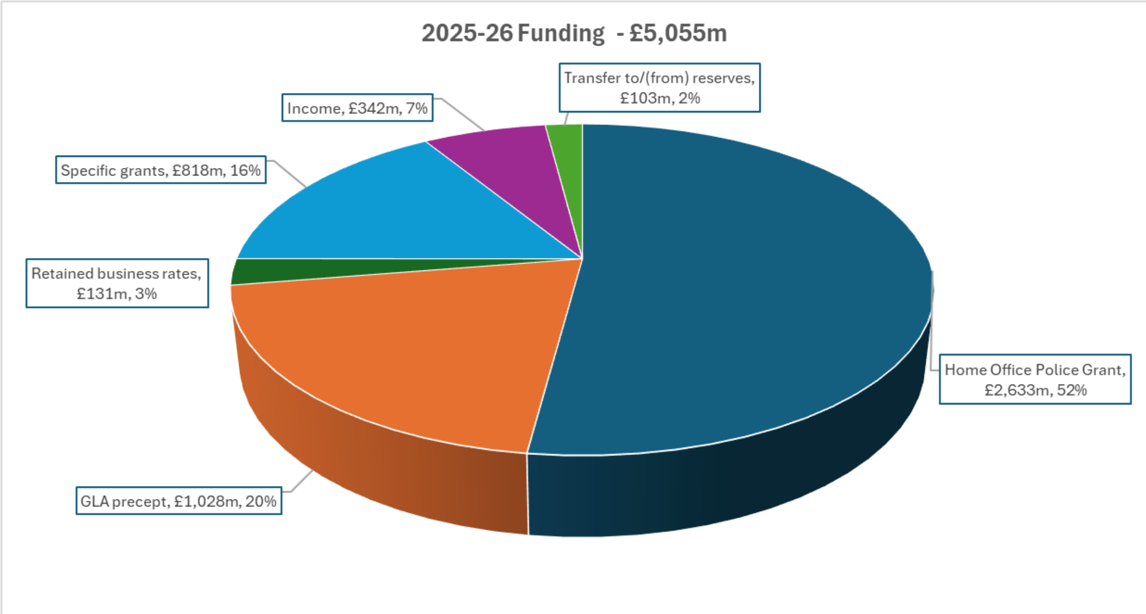
4.4. The main source of funding for all capital in future years is borrowing and this will increase pressure on the revenue budget to fund these costs. Excluding Counter Terrorism grant funding, which is ring-fenced for specific expenditure, the MPS receive no capital grant from the Government. It is prudently assumed that no grant for capital will be received in future years. 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.

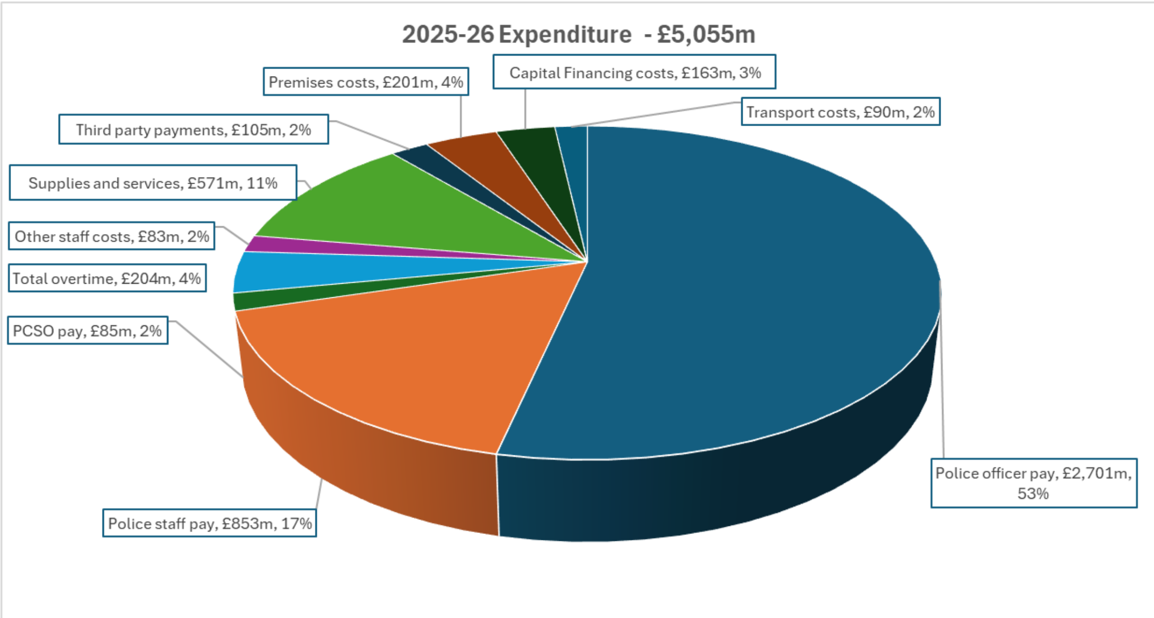
5. Revenue Expenditure and Council Tax Requirement

5.1. The following sections set out the cumulative position for both MOPAC and MPS. Annex 4 presents the proposed budgets from 2025-26 to 2027-28. The forecast position for 2024-25 budget is provided for comparative purposes. The budgets are presented by subjective analysis (i.e., by cost type).

5.2. The pie charts below illustrate the 2025-26 revenue budget by subjective analysis and different funding streams.

Gross Service Funding and Expenditure





Net financing and council tax requirement

5.3. Based on the proposed net revenue expenditure, after deducting income from retained business rates and government grants, the statutory council tax requirement for MOPAC's budget for services is £1,028.4 million.

5.4. The Mayor has proposed that the Band D element of the council tax precept relating to MOPAC will increase by £14.00 from that in 2024-25, the maximum allowable under the council tax referendum principles.

Key items in the 2025-26 budget

5.5. The following table sets out MOPAC's budget on an objective basis.

Objective analysis	Approved Budget 2024-25 £m	Forecast Outturn* 2024-25 £m	Budget 2025-26 £m	Plan 2026-27 £m	Plan 2027-28 £m
Frontline Policing	1,673.9	1,741.9	1,829.2	1,823.9	1,823.9
Operations & Performance	867.1	887.2	987.5	984.4	984.3
Specialist Operations	-4.0	-3.5	-4.9	-1.9	-0.9
People & Resources	416.2	449.2	469.7	455.3	459.8
Comms & Engagement	14.8	16.9	14.6	14.6	14.6
Strategy & Transformation	66.6	93.9	97.2	93.4	74.6
Digital, Data & Technology	236.6	264.5	269.1	269.0	261.6
Professionalism	98.0	114.1	118.4	117.1	117.1
Discretionary pension costs	51.8	54.6	48.0	46.4	47.3
Centrally held	51.8	-85.3	-175.3	-51.1	28.3
Net MPS service expenditure	**3,472.9**	**3,533.6**	**3,653.5**	**3,751.1**	**3,810.5**
MOPAC					
Violence	24.2	24.9	28.4	21.7	20.4
Exploitation	11.2	11.8	11.0	9.7	9.8
Victims	18.7	21.3	15.7	17.6	16.9
Trust	9.8	10.0	10.0	8.3	7.9
Net MOPAC service expenditure	**63.9**	**68.0**	**65.1**	**57.3**	**55.0**
Violence Reduction Unit	31.6	30.3	26.9	21.0	19.5
Net Service expenditure	**3,568.3**	**3,631.9**	**3,745.5**	**3,829.4**	**3,885.0**
Capital financing costs	150.4	128.9	162.6	184.5	210.9
Interest receivable	-13.3	-16.4	-13.3	-13.3	-13.3
Net revenue expenditure	**3,705.5**	**3,744.4**	**3,894.9**	**4,000.6**	**4,082.7**
Savings to be found MPS	0.0	0.0	0.0	-150.3	-203.6
Savings to be found MOPAC	0.0	0.0	0.0	-4.2	-4.1
Transfer to/(from) reserves	-155.6	-194.5	-103.0	-19.8	-15.7
Home Office Police Grant	-2,401.6	-2,401.7	-2,632.8	-2,632.9	-2,632.9
Financing requirement through GLA	**1,148.3**	**1,148.3**	**1,159.1**	**1,193.4**	**1,226.4**
Local Government settlement grant	5.2	5.2	0.0	0.0	0.0
Retained business rates	129.2	129.2	130.7	133.2	135.6
Share of Council Tax collection fund surplus	50.2	50.2	0.0	0.0	0.0
Council tax requirement (inc. Police Precept)	**963.7**	**963.7**	**1,028.4**	**1,060.2**	**1,090.8**

*24-25 forecast outturn is as per the Q2 forecast

5.6. Total net expenditure for 2025-26 is £3,894.9 million of which £3,653.5 million is MPS, £65.1 million is MOPAC (excluding VRU), £26.9 million is VRU £162.6 million are capital financing costs offset in part by interest receivable of £13.3 million.

Net change in revenue expenditure and income

5.7. The budget proposes a £189.4 million net increase in revenue expenditure and income and is made up of growth and pay inflation offset by efficiencies and budget reductions.

5.8. The budget includes growth of £58.1 million summarised below:

- £40.1 million for an increase in the London Allowance to all police officers
- £10 million to support the underfunded pension deficit, assumed to be met through additional Home Office funding
- £25.9 million additional investment in NMfL. This is however £30.2 million less than was anticipated when the budget was set in 2024-25. In total the Met will be investing £104.7 million in NMfL, a full breakdown is provided at Annex 5.

5.9. Inflation of £140.6 million is included in the budget. This includes £127.0 million relating to pay inflation, and £13.6 million related to non-pay expenditure.

Pay Awards

5.10. The budget assumes annual pay awards of 2 per cent. In previous years, pay awards have been higher than the budgeted amount and have been offset by additional government grant. For 2024-25, there was an expectation from the government that the first 2.5 per cent would be funded by police forces and the remainder funded through additional government grant. The 2024-25 budget included a provision for 2 per cent of the pay award. The difference (0.5 per cent) has been built into the 2025-26 budget.

5.11. The 2 percent assumption for 2025-26 and future years 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 has been significantly higher in recent years than was previously the case, impacting on both pay and non-pay inflation. This demonstrates that its future path is not certain. A +/-1 per cent change in the pay award equates to £28 million. Since pay and overtime accounts for 78 per cent of MPS revenue expenditure in 2025-26, small deviations from this assumption can have material consequences for total expenditure.

5.12. For MOPAC, pay inflation of 2 per cent has also been assumed. The 2024-25 pay award was higher than budgeted for and this has also been built into the budget.

5.13. The Chancellor's Budget also confirmed changes to Employers' National Insurance contributions from 2025-26, the cost for 2025-26 has been funded through the Police Grant settlement. Funding beyond 2025-26 is not confirmed in advance of the Spending Review however the budget assumes funding continues.

Functions directly managed by MOPAC

5.14. The 2025-26 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.

5.15. The Mayor set up London's VRU to coordinate and lead a public health approach to tackling violence in London that is rooted in prevention and early intervention. The VRU is a formed of specialists in youth and community services, local government, education, health and policing, and is hosted within MOPAC.

5.16. The Mayor in his MOPAC role has appointed a Deputy Mayor for Policing and Crime (DMPC), Kaya Comer-Schwartz, 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.

5.17. 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.

5.18. To support the Mayor and DMPC to fulfil their responsibilities, MOPAC has a dedicated team of officials including specialists in commissioning, finance, oversight, policy, professional standards, research and analysis, community engagement and auditing.

5.19. In 2023, following a recommendation by Baroness Casey, MOPAC created the London Policing Board to support MOPAC in exercising its statutory function. 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.

5.20. 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.

MOPAC and VRU Funding and Expenditure Overview

5.21. Funding for MOPAC is provided through specific grants from the Home Office and Ministry of Justice. In addition, the Mayor raises funds through the precept and allocates funding received from business rates. Grant funding beyond 2025-26 has not been announced and therefore it has been assumed that grants continue at the current 2025-26 levels, unless it is known that grants are due to end.

5.22. Within the overall consolidated budget (MOPAC and MPS), the funding for functions managed by MOPAC, excluding reserves, is £108.1 million in 2025-26 decreasing to £106.0 million in 2027-28. This is a decrease of £2.1 million due to the assumed reduction in Home Office grants (Drive £2.7 million and Serious Violence Duty £0.9 million), end of Youth Endowment Funding £0.2 million offset by additional precept funding of £1.8 million.

Net Expenditure Overview

5.23. Net expenditure for 2025-26 is £92.0 million (net of specific grants). The proposed draft 2025-26 budget is set out below and is £3.6 million less than the 2024-25 budgeted net service expenditure.

5.24. Earmarked reserves of £19.5 million in 2025-26 will be used to fund multi-year commissioning programmes, one-off costs and for budget smoothing. These figures include the latest forecast on carry forward requirements.

5.25. Given the pressure on the overall MOPAC/MPS budget, the Mayor asked for potential further efficiencies to be sought in the wider MOPAC Group budget. The final 2025-26 budget includes new staffing efficiencies of £0.5 million (£0.4 million in MOPAC and £0.1 million in VRU). The MOPAC change has reduced the use of reserves, given the future years budget gap, and VRU reduction been reallocated to commissioning expenditure. For 2026-27 onwards, the new staffing efficiency is £0.4 million (£0.3 million MOPAC and £0.1 million VRU). For MOPAC this has reduced the budget gap and for VRU the saving has been reallocated to commissioning expenditure.

MOPAC Draft Budget 2025-26 – 2027-28

5.26. A balanced position is presented for 2025-26 and there is a forecast gap of £4.2 million in 2026-27 reducing to £4.1 million in 2027-28. Of the £4.2 million and £4.1 million pressure in 2026-27 and 2027-28 respectively, £3.8 million reflects services where the DMPC approved a one-year contract renewal only. These services are currently due to expire at the end of March 2025; if they are not renewed, this will reduce the pressure to £0.7 million in 2026-27 and £0.6 million in 2027-28.

5.27. Efficiencies or increased funding will be required within these two years to close the budget gap. The budget gaps are exclusively within MOPAC (excluding VRU) and are largely driven by reduced funding from reserves. The VRU budget is balanced for 2025-26 to 2027-28. A summary of the budget by Police and Crime Plan outcome and by Directorate is set out at Annex 4.

VRU Draft Budget 2025-26 to 2027-28

5.28. Keeping Londoners safe is the Mayor's top priority and is outlined in his manifesto commitments of being tough on violence and tough on its complex causes. The Mayor's priorities align with the new Government's manifesto commitments to reduce knife crime by half over the next decade. The Mayor's London VRU is therefore 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.

5.29. 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

5.30. Commissioning activity is centred around the above priorities and the table below provides expenditure and funding over the medium term from 2025-26 to 2027-28:

VRU Draft Budget 2025-26 – 2027-28			
	2025-26 £m	**2026-27 £m**	**2027-28 £m**
Mayoral Funding Reserves	(19.4) (7.5)	(19.4) (1.6)	(19.4) (0.1)
Net service funding	**(26.9)**	**(21.0)**	**(19.5)**
Home Office Grants	(10.3)	(9.4)	(9.4)
Youth Endowment Grant	(0.2)	0.0	0.0
Total Funding	**(37.4)**	**(30.4)**	**(28.9)**
Expenditure	37.4	30.4	28.9
Gap	0.0	0.0	0.0

5.31. Expenditure over the medium-term is forecast to reduce from £37.4 million in 2025-26 to £28.9 million in 2027-28. The increased level of expenditure in 2025-26 is funded from the use of reserves and specific grants. Of the £7.5 million planned use of reserves, £2.9 million is part of the one-off Mayoral funding of totalling £6.5 million announced as part of the 2024-25 budget to support prevention and early intervention through the VRU. Other use of reserves in 2025-26 includes £1.3 million AP/PRU mentoring, £0.6 million LCPF, £0.6 million Parent Carer Champion Network, £0.5 million Social Switch, £0.4 million MyEnds Partnership Fund and £0.5 million Talk Matters.

5.32. Confirmation of the Home Office Violence Reduction funding grant was received in February 2025 for 2025-26 and was in line with the draft assumption of £9.4 million, funding beyond 2025-26 has not been confirmed and the budget assumes ongoing funding of £9.4 million. In addition the Serious Violence Duty grant of £0.9 million has been extended to 2025-26, the draft budget assumed this would end in 2024-25, the final budget includes this additional £0.9 million grant for 2025-2026 only.

6. Reserves

6.1. Police and Crime Commissioners can keep part of their funding in financial reserves to help manage financial risk and to fund future costs. A general reserve should be held to cover unforeseen pressures; earmarked reserves can be held for a specific purpose or to fund a specific known financial pressure in future years. The Reserves Strategy sets out an approach that seeks to provide sufficient levels of reserves to mitigate against risk and to support transformation.

6.2. In setting the 2025-26 budget, a detailed review of reserves has been carried out. Reserves have reduced in recent years and have been used to support the budget gap. This is no longer possible and the 2025-26 budget has been developed on the basis that there is no ongoing reliance on reserves to balance the budget.

6.3. Earmarked reserves are held for specific purposes and are forecast to reduce by £256.5 million by the end of the MTFP period, of which £218.0 million relates to the MPS and £38.5 million relates to MOPAC. Of the £218.0 million reduction in MPS earmarked reserves, £104.1 million relates to the current 2024-25 financial year.

6.4. The MPS is expecting a 2024-25 underspend of £28.9 million, a position which has been confirmed in Q4. The MPS, with MOPAC's support, are proposing to transfer £10m to the General Reserve as part of a medium-term strategy to continue to steadily bolster the General Reserve. This will increase it from an opening 2024-25 balance of £66.6 million to £76.6 million, and will mean the General Reserve reflects 2.0% of NRE, and total reserves 4.1% of NRE.

6.5. In addition, the MPS is proposing to establish a new earmarked reserve with the remainder of the 2024-25 underspend of £13.5 million for managing workforce pressure in 2025-26 and future years. This is likely to be drawn upon in the event of an unfavourable 2025 Spending Review settlement particularly if the one-off £50 million for use in 2025-26 to protect 600 FTE is not baselined.

6.6. MOPAC and MPS will continue to seek ways of ensuring that reserves are of sufficient level to mitigate against risks. A review of the adequacy of reserves will be carried out at each stage of the budget setting process by the MOPAC Chief Finance Officer.

6.7. The following table shows the forecast movement in total MOPAC reserves and the forecast total reserves at the end of each financial year:

Groupings for Final Submission	**Closing Balance 23-24 £m**	**Planned Usage 24-25 £m**	**Closing Balance 24-25 £m**	**Planned Usage 25-26 £m**	**Closing Balance 25-26 £m**	**Planned Usage 26-27 £m**	**Closing Balance 26-27 £m**	**Planned Usage 27-28 £m**	**Closing Balance 27-28 £m**
Supporting Local Change	33.0	-26.5	6.5	-6.4	0.1	-0.1	0.0	0.0	0.0
Managing the Budget	31.6	-31.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supporting the Budget	0.0	5.4	5.4	-5.4	0.0	0.0	0.0	0.0	0.0
Managing Workforce Pressures	0.0	63.5	63.5	-50.0	13.5	0.0	13.5	0.0	13.5
Business Group Initiatives	1.1	-0.7	0.4	-0.3	0.1	-0.1	0.0	0.0	0.0
Operational Costs	57.3	-49.0	8.4	-6.5	1.8	-0.4	1.4	-0.2	1.2
Historical Public Inquires	0.8	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Managing Officer FTEs	23.1	-23.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property Costs	49.7	-6.9	42.8	-11.3	31.5	-7.8	23.7	-7.8	15.8
POCA	19.8	-1.9	17.9	-3.6	14.3	-3.6	10.7	-3.6	7.1
Funded for Third Parties	13.8	-2.4	11.4	0.1	11.5	-2.9	8.6	-3.9	4.7
Business Rates	30.0	-30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MPS Earmarked Reserves	**260.4**	**-104.1**	**156.3**	**-83.5**	**72.8**	**-15.0**	**57.8**	**-15.5**	**42.4**
MOPAC Earmarked	43.5	-13.9	29.7	-19.5	10.1	-4.8	5.3	-0.3	5.0
Total Earmarked Reserves	**303.9**	**-117.9**	**185.9**	**-103.0**	**82.9**	**-19.8**	**63.1**	**-15.7**	**47.4**
General Reserves	66.6	10.0	76.6	0.0	76.6	0.0	76.6	0.0	76.6
Grand Total	**370.5**	**-107.9**	**262.6**	**-103.0**	**159.6**	**-19.8**	**139.8**	**-15.7**	**124.0**

7. CFO statement on adequacy of the proposed financial reserves

7.1. The General Reserve balance is forecast to remain stable from the end of 2024-25 at £76.6 million, and in 2025-26 represents 2.0 per cent of MPS/MOPAC net revenue expenditure. Taken together with earmarked reserves as at 31 March 2026, the total level of reserves represents 4.1 per cent of MPS/MOPAC net revenue expenditure. Whilst the level of General Reserve is at the bottom of the target of 2-3 per cent of the current reserves strategy, this level is met when considering both General and earmarked reserves together.

7.2. To remain financially resilient, stringent controls should remain in place across MOPAC and MPS on the drawdown of reserves. Both corporations sole should maintain a proactive approach to building back the general reserve. It is positive that this opportunity has arisen at the end of the 2024-25 financial year given the forecast underspend. Currently the total reserves balance (including both General and earmarked) is expected to fall to £124.0 million in 2027-28. Based on our current assessment of budget risk our total reserve levels should not fall below £125 million. In view of this, MOPAC and MPS should ensure that the total reserves balance is proactively replenished to avoid a level below £125 million across the MTFP.

S25 Statement

Reserves

7.3. The MOPAC Chief Finance Officer judges the level of reserves to be prudent in the context of known future liabilities, risks and funding uncertainties facing MOPAC and the MPS.

7.4. A non-recurrent funding allocation was received from the Home Office in February 2025 for frontline policing investment in the following financial period and ahead of the SR settlement. This has resulted in a temporary increase to MOPAC reserves as at 31 March 2025, providing a level of assurance for the next financial year and until the outcome of the Government's 2025 Comprehensive Spending Review is known. The intention is to spend this HO funding in full in 2025-26 to protect frontline policing numbers and so, this fund has been placed in an earmarked reserve for this purpose.

7.5. The MPS is expecting a 2024-25 underspend of £23.5 million, a position which has been confirmed in Q4. With MOPAC support, the MPS is proposing to transfer £10.0 million of this to the General Reserve as part of a medium-term strategy to continue to steadily bolster the General Reserve. This will increase the from an opening 2024-25 balance of £66.6 million to £76.6 million, and will mean the General Reserve reflects 2.0% of NRE, and total reserves 4.1% of NRE.

Financial Risk in 2025-26

7.6. Although the MOPAC settlement has increased substantially through a combination of non-recurrent and recurrent funding allocations since the November budget submission, there remains a level of financial risk in 2025-26 and in future years.

7.7. The MPS budget in particular includes challenging savings and efficiency targets including those to be delivered through significant organisational change and the 'tough choices'. The scale and pace of this change adds to the MPS' corporate risk profile, in addition to that caused by ongoing NMfL reform and operating in a fiscally challenging context.

7.8. The majority of the MPS' annual spend is workforce costs, and fluctuations in attrition levels can have a material impact on in-year financial balance. Over the coming year, close monitoring of these, and the broader financial position, will be critical. The controls set out in Annex 7 will be critical to monitoring and mitigating financial risk in year.

2025 Multi-year Spending Review (SR)

7.9. As alluded to above, the Government is currently undertaking the 2025 SR to determine funding for 2026-27 onwards.

7.10. MOPAC has contributed to the GLA SR submission and the MPS is making submissions directly to the Home Office whilst also contributing to the national NPCC/APCC submission.

7.11. Depending on the outcome of the SR for the MPS, actions may be required to reduce spend in 2025-26 in advance of 1st April 2026 to ensure that organisational design and size is affordable at the start of the next financial year. Again, the controls set out in Annex 7 will be critical to monitoring this position and ensuring adequate actions are taken promptly should the SR outcome be unfavourable to the MPS.

8. Capital Plan

8.1. The current capital programme is largely focused on maintaining and improving our estate (physical and digital) and fleet replacement.

8.2. 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.

8.3. The capital plan for 2025-26 has been further developed since November. Key changes include the reflection of the Command and Control FBC requirements and re-profiling of spend across the portfolio to reflect realism and therefore avoid unnecessary borrowing costs.

8.4. The main areas of investment include the property and technology estate, fleet and the two main transformation technology project – CONNECT and Command and Control.

8.5. New Met for London highlights the importance of further investment in our estates. A draft estates strategy has been developed which identifies the need for additional investment of around £500 million over the next 5 years. Given MOPAC does not receive capital contributions, this would need to be funded through external borrowing which creates a pressure on revenue budgets. A budget of £41.7 million for additional estates investment is assumed for 2025-26 through borrowing, and the longer-term decisions on estates funding will be considered through review of the medium-term financial plan and upcoming Spending Review.

8.6. The two major digital transformation programmes (CONNECT and Command and Control) are at different stages. The second release of CONNECT was challenging but ultimately the product was delivered in year, there were a number of defects that were resolved and while the programme has transitioned to business as usual there continue to be improvements delivered. It will require continued investment to maintain and enhance capabilities, but the future capital requirement is significantly reduced.

8.7. An updated Business Case for Command and Control is being developed following the testing of a minimum viable product within MPS systems, which will include validation of the product and programme benefits. This will be quickly followed by an updated full business case following a short period of negotiation with the supplier which will cover refreshed costs and final benefits. The associated annual capital costs are reflected in the capital programme set out above.

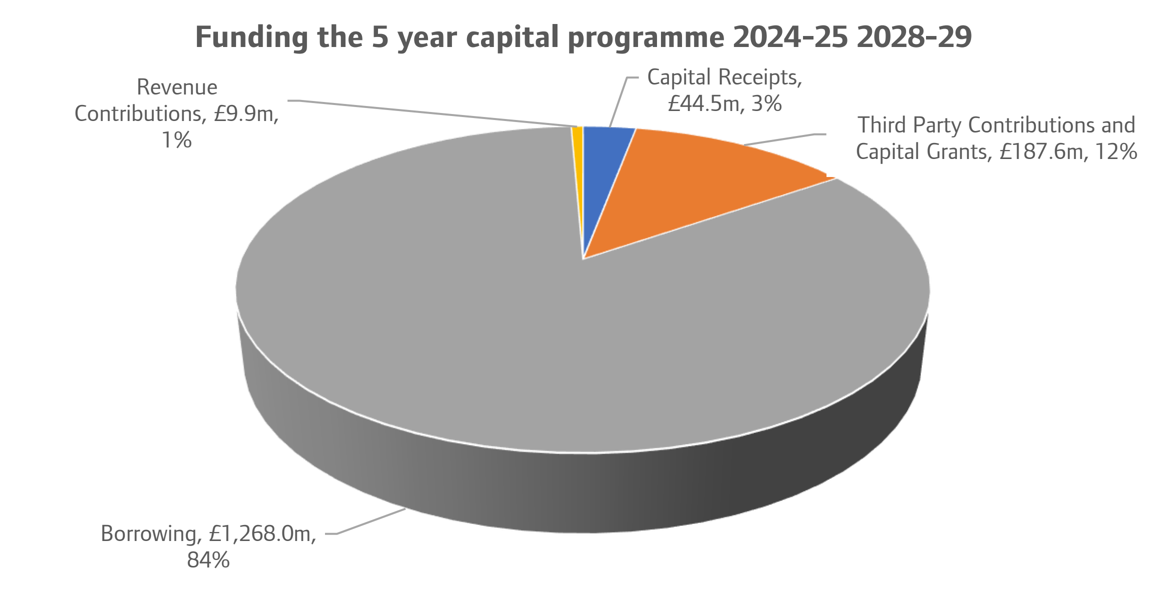
8.8. There is provision for planned energy efficiency works and activities, which with Public Sector Decarbonisation Scheme (PSDS) funding, will help to reduce carbon emissions, but the full costs of Net Zero Carbon 2030 are not included in these estimates. The cost of these and the required funding arrangements are being discussed with the GLA as part of the climate budget process.

8.9. MOPAC and 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.

8.10. 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. 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.

8.11. 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.

8.12. The borrowing requirement for 2025-26 is £288 million. This represents 85 per cent of the capital financing in 2025-26 reducing to 74 per cent in 2028-29. Borrowing over the 5-year period 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 85 per cent. 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.



8.13. MOPAC's detailed five-year Capital Spending Plan (CSP) of £1,530 million over 2024-29 are summarised below. Capital plans for the 20-year planning horizon are included at Annex 6:

MPS Capital Programme 2024-25 - 2028-29	2024-25 Forecast £m	2025-26 Estimate £m	2026-27 Estimate £m	2027-28 Estimate £m	2028-29 Estimate £m	TOTAL £m
PSD- Forward Works and BAU	88.3	93.2	162.3	118.5	51.0	**513.4**
Fleet	35.0	37.5	26.1	30.3	25.1	**154.1**
DDaT	62.3	69.7	70.0	67.9	73.5	**343.5**
CTPHQ	32.9	20.5	19.0	18.6	21.4	**112.5**
Met Operations- Covert and Forensics	9.8	7.8	11.8	9.2	5.8	**44.4**
Sub Total Excluding Transformation	***228.4***	***228.7***	***289.2***	***244.6***	***176.8***	***1,167.7***
Transformation NMfL Programme Command & Control	68.6	37.1	22.5	19.5	5.1	**152.8**
Transforming Investigation and Prosecution	8.1	0.0	0.0	0.0	0.0	**8.1**
Operational Support Services	0.2	0.0	0.0	0.0	0.0	**0.2**
Learning and Professionalism Transformation	0.1	0.5	0.5	0.0	0.0	**1.1**
TD NMFL Programmes	13.1	30.4	41.4	13.9	0.0	**98.9**
PSD - Bringing existing MPS buildings to a NMFL quality standard	0.0	41.7	0.0	0.0	0.0	**41.7**
Transformation - long term estimate	3.0	0.0	9.0	12.0	15.4	**39.4**
Sub Total Transformation	***93.1***	***109.8***	***73.5***	***45.4***	***20.5***	***342.2***
Total Programme Cost	**321.6**	**338.4**	**362.7**	**290.0**	**197.3**	**1,510.0**

Funding						
Capital Receipts	3.0	13.8	4.3	8.9	14.5	44.5
Third Party Contributions and Capital Grants	53.5	36.8	32.6	31.3	33.4	187.6
Unfunded	265.1	287.9	322.4	246.5	146.1	1,268.0
Revenue Contributions	0.0	0.0	3.3	3.3	3.3	9.9
Total funding	**321.6**	**338.4**	**362.7**	**290.0**	**197.3**	**1,510.0**

8.14. MOPAC's environmental impact and climate budget responding to the London Climate Budget is set out at Annex 8.

9. Group Collaboration

Background

9.1. The GLA Group Collaboration Board develops and oversees plans for further ways in which the GLA Group can work together more closely to deliver efficiency, effectiveness, economic benefit, and key Mayoral priorities. The Board aims for Group organisations to "work as one, delivering maximum benefit to Londoners". This is achieved by removing operational and cultural barriers to joint working, enabling GLA Group organisations and key partners to be willing and able to work together as efficiently and effectively as if they were part of the same organisation.

9.2. Examples of projects being developed via GLA Group Collaboration in 2024-25 and which will continue in future years are set out below:

- Transition 2024-25 to a shared IT service from Transport for London (TfL) for the GLA including MOPAC
- A Treasury Collaboration project between the GLA and TfL, delivering improved systems, processes, resilience and financial outcomes, particularly in relation to back office and investment activities
- An Energy Procurement project leveraging TfL's significant energy purchasing power to bring benefits for the whole GLA Group through long-term power purchase agreements
- A new secondment portal and mentoring platform, both of which are available to all Group organisations and aim to develop and retain talent within the GLA Group
- Electric Vehicle Infrastructure Delivery (EVID), with current plans to deliver up to 200 EV charging bays on suitable GLA Group-owned land sites.

10. Value for Money

10.1. One of the three priorities for 'A New Met for London' is to fix the MPS's foundations and set it up to succeed. The Commissioner wants 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 MPS 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.

10.2. The MPS has therefore committed to delivering an efficiency programme that will deliver efficiencies totalling £75 million built into the 2025-26 budget. On top of this, £25 million of non-people efficiencies will be delivered through the 'tough choices' programme of service changes. In addition MOPAC has identified efficiencies of £3.5 million and VRU efficiencies totalling £3.7 million for 2025-26.

10.3. 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 has brought together seven existing IT systems making it more efficient for officers to conduct their routine business.

11. Equalities implications

11.1. This year, MPS has developed and published the London Race Action Plan (LRAP) and Culture Plan. Both support the strategic direction set out in A New Met for London, ensuring the Met becomes an anti-discriminatory organisation.

11.2. These plans are aligned with recommendations from recent HMIC inspections and independent inquiries. To support the strategic direction and actions set out in the plans, the Met has created and resourced the Culture, Diversity and Inclusion directorate. In the Directorate will be a team of Equality Impact specialists, currently being recruited to ensure compliance with Public Sector Equality Duty and contribute to tackling prejudice and promoting understanding of protected characteristics.

11.3. The Directorate will also support the Supplier Giving Programme and work with suppliers to support social impact contributions through the life of a contract. In addition, the Directorate will include a data insights and organisational learning function to provide understanding of culture and interventions required.

11.4. The creation of the Directorate represents a significant investment to drive activity across the organisation to deliver the change required. However, MPS recognise that the Directorate alone cannot drive action in this space. The Directorate will join up the entirety of MPS to ensure local plans are aligned to the Culture Plan and LRAP alongside other important work such as the Violence Against Women and Girls (VAWG) action plan and the Children's Strategy. This will not only reduce 'initiativitis' but will ensure activity positively impacts the workforce and ultimately the communities of London. MPS continue to have Thematic Leads at senior levels driving internal and external priorities in key areas such as Disability, Faith, LGBT+, Race and Religion. Along with data insights, this will allow us to monitor and report on progress.

11.5. The LRAP outlines MPS's commitments to becoming an anti-racist organisation and improving trust amongst London's Black communities. This requires a holistic approach, looking at systems and processes that drive inequality, people that create and embed such systems, and the root causes of such behaviour. The MPS have confirmed that the LRAP is a 'live' approach and will continue to be developed iteratively.

11.6. Progress against the Culture Plan and the LRAP is monitored and senior officers held to account on progress at a Culture Group chaired by Assistant Commissioner Trust and Legitimacy.

11.7. Through the Mayor's Disproportionality Board, MOPAC and partners will continue its work to monitor, and reduce, disproportionalities in criminal justice processes and outcomes.

Annex 1

The MPS Aspiration

1.1. The budget has been set, once again, amid ongoing work to rebuild the MPS's strategic and financial planning capabilities and, most significantly, at the same time as delivering major reform of the MPS, in line with their strategy, A New Met for London (NMfL), which responds to address the findings of Baroness Casey, HMICFRS and feedback from many others – notably their own officers and staff. To achieve a sustainable financial position, the MPS need to further their ambition now, within the limits of 2025-26 funding.

1.2. For the multi-year Spending Review taking place in 2025, the MPS do have greater ambition. Over the three years from 2026-27, they not only want to deliver their full NMfL ambition, but need to grow so they have the resources they need to meet the unique policing challenges of London and protect Londoners, and invest more in our data, technology and estate. There are several reasons why this needs to happen.

1.3. First, because of a joint MOPAC and MPS strategy over several years to prop up vital policing services, the Met made unsustainable efforts to protect them from budget cuts. The PS have, since 2012, made cuts and savings of over £1.2 billion, focused on staff and support roles and so compromising their foundations; the Met have fully utilised their reserves; and sold off many of their buildings, raising concerns from local communities.

1.4. At the same time, London, and the wider UK crime demographic, is changing. The population of London has risen rapidly, set against a context of lower real terms funding compared to the last decade. Tourists and visitors to London bring revenue and vibrancy to the city, but they are additional people who need to be protected from crime by police. For the Met to match 2012 real-term funding would require an increase in per-capita funding over 20%, the equivalent of an additional £878 million. Whilst other countries have increased real-terms funding to their capital cities' police forces, the MPS's funding is behind its peers.

1.5. London's population is estimated to increase by more than 70,000 per year. This will require an additional 4,500 officers to maintain the current ratio of police to Londoners (with an associated additional 85,000 square metres in estate footprint).

1.6. The demand for policing services has gone up and more people than ever before are contacting the MPS. The total number of recorded crimes (excluding fraud) they have had to respond to has increased year on year (except during the Covid-19 pandemic). The nature of crime is also shifting, and the modern policing environment needs to respond to high-harm crime like child sexual abuse and domestic abuse, cyber and online crime, and serious and organised crime (SOC). At the same time, crime is becoming more complex, and based in (and reliant on) technology, which further increases the unit cost of investigating those crimes. Working with other forces nationally will be an important part of the MPS addressing these challenges.

1.7. This situation has been exacerbated by the effective collapse of elements of the wider criminal justice system and the reduced capacity of many of the MPS key partners. For instance, the backlog in the Crown Court has reached an unprecedented high and is likely to rise further still. Some victims of serious crimes will wait over four years for justice. Policing cannot fix this alone.

1.8. While there has been an increase in public order and public safety operations nationally, the MPS is unique in the demand it faces and has additional requirements as a capital city. It is home to numerous institutions that are the focus of protest. The last two-and-a-half years have seen the longest and most acute period of public order demand in at least the last 30 years. A combination of strategic environmental, increased geopolitical tensions and nationalist protests have taken demand to unprecedented levels, at times requiring the MPS to seek mutual aid from other forces to support. That not only impacts on their finances, but also their workforce, with officers routinely working longer hours, weekends, and being abstracted from core policing roles. The NICC grant is intended to fund their policing of this activity. However, until the recent government budget, there had been no increase since 2019-20. When set against increasing inflation, this still leaves the MPS with a major shortfall of at least £180 million.

1.9. The MPS recognise the need to have a long-term strategic workforce plan that is built on demand and describes the size and shape needed for the MPS to operate (and, in their case, police London) more effectively. The Casey report findings set out how they had historically underinvested in certain areas and left good people severely overstretched.

1.10. In 2019, the then Commissioner said that the MPS needed to have at least 36,000 officers. Since then, crime demand and London's population have both grown, and so has the expectation for the MPS to reform. They have therefore undertaken a more rounded assessment of where they need to get to.

1.11. Comparing the MPS's budget in terms of the population they police, they do not compare favourably to other police services globally. If they had the same budget per capita as NYPD or Chicago, their total budget would increase by £1.8 billion or £2.1 billion respectively (an additional 24,000 or 29,500 officers). More realistically, over the next Parliament (i.e. by 2029-30), the MPS need to grow to a total MPS police strength of 38,000 officers and 19,000 staff, based on their desired 2:1 ratio.

1.12. The MPS are also spending less than median and top quartile organisations on their IT, which is critical to reform and fixing their foundations. The MPS have significantly reduced their core server, network and desktop technology costs by 40% in the last five years. Last year they reduced legacy spend by a further £18 million while investing to make their processes more efficient, for example through the implementation of Digital Interview Recording. In 2025-26, they will again bear down on their legacy estate, including the closure of a data centre and moving their services to the Crown-hosted shared service, their operational IT budget of £256 million now equates to a budget per person of just £6,000:

1.13. For other government agencies, the median budget per person is £8,400, with the upper quartile £13,600. This would equate to a MPS operational IT budget of £361 million (increase of £105 million) for median and £585 million (increase of £329 million) for upper quartile.

1.14. The average median budget per person across a range of markets (including commercial banking, retail, education, utilities, and professional services) is £8,900 and £16,400 for upper quartile. This would equate to a MPS operational IT budget of £383 million (increase of £127 million) for median and £705 million (increase of £449 million) for upper quartile.

1.15. Based on this benchmarking, and to be truly data-driven, the MPS need to be spending £13,600 per person on IT, in line with the upper quartile for government agencies. This will help drive greater productivity and efficiency across the MPS, keep pace with the criminal threat and solve crime more effectively. The Met have an automation programme to improve efficiency and reduce spend on day-to-day tasks, they are investing in a platform to bring our data together and enable precise policing, and are investigating the opportunities arising from artificial intelligence. However, their investment envelope significantly constrains their ability to maximise the benefits of data and technology to provide a better service to Londoners.

1.16. The MPS are working on an estate that is not at all fit for purpose. Since 2010, the estate has reduced from 620 to c. 200 operational buildings. Much of the remaining estate is in a poor condition, with nearly 50% of all employees accommodated in buildings which do not meet a "good" quality standard. The allocated funding allows the MPS to refurbish their buildings only every 120 years (against a market norm of 25-30 years). Due to a lack of funding, the MPS spend around half the amount per square metre that is spent by government on civil service buildings. This is despite the MPS operating a more complex estate, with 24/7 buildings in a high-cost London environment.

1.17. If nothing else changes, in the next decade the MPS expect to have to close up to half our current buildings due to them being no longer habitable or legally compliant.

1.18. The MPS have allocated additional funding in their budget to maintain estate standards, but they need to continue to increase investment. There also remains a gap in funding required to achieve estate decarbonisation by 2030 and fleet decarbonisation by 2035. This will create significant pressure on the MPS especially given developments in the fleet market on e-vehicles.

Annex 3: MPS Efficiencies

Target

- The MPS set an overall efficiencies target of £100 million (2.5% of our running costs).

Methodology

The MPS has undertaken a detailed efficiencies generation and identification process over several months:

- The MPS commissioned a priority-based budgeting exercise to review spend across the Met and identify opportunities to deliver efficiencies. This exercise concluded in early October 2024. It generated an extensive list of opportunities that had been developed in conjunction with stakeholders across the organisation.

- The MPS further validated the options' deliverability with business groups, completing a RAG (Red, Amber, Green) assessment (Red was 'undeliverable in 2025-26; Amber was 'potentially deliverable but challenging'; Green was 'deliverable'). A secondary validation was completed centrally by Strategy and Finance.

- The list of opportunities was reviewed and agreed by the MPS Assistant Commissioner and Chief Officer Committee (ACCO). The MPS also scoped additional opportunities and identified where existing opportunities could be pushed further.

- A risk adjustment was added against each projected efficiency:

  - Red – 0% (i.e. zero assumed to be realised)
  - Amber – 50% (i.e. 50% of projected efficiency assumed to be realised)
  - Green – 95% (i.e. 95% of projected efficiency assumed to be realised)

- To ensure there was no duplication with the Tough Choices and proposed changes to our workforce, the efficiencies were then divided into workforce-related (i.e. FTE-reducing) and non-workforce related.

Summary of efficiencies

Category	Examples	Target Saving (FY25/26)
Running the Back Office	Reduced spend on expenses, travel, catering, stationery, printing, utilities, learning, recruitment	£8m
Managing our Supply Chain	Reduced spend across our external suppliers, including Contractors and Consultants	£56m
Estates and Equipment	Reduced spend on estate and facilities management, vehicle recovery, fuel, collisions	£5m
IT & Digital	Decommissioning legacy systems and equipment	£6m
Non-workforce sub-total		**£75m**
Back office workforce efficiencies	Automation and technology enabled ways of working, consolidation and optimisation of operational and enabling capabilities across BCUs, increasing In-House recruit training, new delivery model for Enabling Services	£25m
Total		**£100m**

Annex 4

MPS and MOPAC 2025-26 budget analysis

Subjective Analysis

Subjective analysis	MPS £m	MOPAC £m	Total Budget 2025-26 £m
Police officer pay	2,700.5	0.0	2,700.5
Police staff pay	828.3	24.8	853.1
PCSO pay	85.3	0.0	85.3
Total pay	**3,614.1**	**24.8**	**3,638.9**
Police officer overtime	174.7	0.0	174.7
Police staff overtime	28.9	0.0	28.9
PCSO overtime	0.2	0.0	0.2
Total overtime	**203.8**	**0.0**	**203.8**
Employee-related expenditure	34.3	0.4	34.8
Supplementary pension costs	48.0	0.0	48.0
Staff costs total	**3,900.3**	**25.3**	**3,925.6**
Premises costs	200.3	0.9	201.2
Transport costs	89.5	0.0	89.5
Supplies and services	567.2	3.6	570.8
Third party payments	0.0	104.8	104.8
Capital Financing costs	162.6	0.0	162.6
Total running expenses	**1,019.7**	**109.2**	**1,128.9**
Total gross expenditure	**4,920.0**	**134.5**	**5,054.5**
Sales, fees, charges and recharges	-321.6	-6.9	-328.5
Specific grants	-782.3	-35.6	-817.9
Interest receivable	-13.3	0.0	-13.3
Total gross income	**-1,117.1**	**-42.5**	**-1,159.6**
Net expenditure	**3,802.9**	**92.0**	**3,894.9**
Savings to be found MPS	0.0	0.0	0.0
Savings to be found MOPAC	0.0	0.0	0.0
Transfer to/(from) reserves	-83.5	-19.5	-103.0
Net expenditure after reserves	**3,719.4**	**72.5**	**3,791.9**
Home Office Police Grant			-2,632.8
Financing requirement through GLA:			**1,159.0**
Local Government settlement grant			0.0
Retained business rates			130.7
Share of Council Tax collection fund surplus			0.0
Council tax requirement (inc. Police Precept)			**1,028.4**

Objective analysis

Objective analysis	MPS £m	MOPAC £m	Total Budget 2025-26 £m
Frontline Policing	1,829.2	0.0	1,829.2
Operations & Performance	987.5	0.0	987.5
Specialist Operations	-4.9	0.0	-4.9
People & Resources	469.7	0.0	469.7
Comms & Engagement	14.6	0.0	14.6
Strategy & Transformation	97.2	0.0	97.2
Digital, Data & Technology	269.1	0.0	269.1
Professionalism	118.4	0.0	118.4
Supplementary pension costs	48.0	0.0	48.0
Centrally held	-175.3	0.0	-175.3
Net MPS service expenditure	**3,653.5**	**0.0**	**3,653.5**
MOPAC:			
Violence	0.0	28.4	28.4
Exploitation	0.0	11.0	11.0
Victims	0.0	15.7	15.7
Trust	0.0	10.0	10.0
Net MOPAC service expenditure	**0.0**	**65.1**	**65.1**
Violence Reduction Unit	0.0	26.9	26.9
Net revenue expenditure	**3,653.5**	**92.0**	**3,745.5**
Capital financing costs	162.6	0.0	162.6
Interest receivable	-13.3	0.0	-13.3
Net expenditure	**3,802.9**	**92.0**	**3,894.9**
Savings to be found MPS	0.0	0.0	0.0
Savings to be found MOPAC	0.0	0.0	0.0
Transfer to/(from) reserves	-83.5	-19.5	-103.0
Net expenditure after reserves	**3,719.3**	**72.5**	**3,791.9**
Home Office Police Grant			-2,632.8
Financing requirement through GLA:			**1,159.1**
Local Government settlement grant			0.0
Retained business rates			130.7
Share of Council Tax collection fund surplus			0.0
Council tax requirement (inc. Police Precept)			**1,028.4**

MOPAC & MPS 3 year subjective analysis

Subjective analysis	Approved Budget 2024-25 £m	Forecast Outturn 2024-25 £m	Budget 2025-26 £m	Plan 2026-27 £m	Plan 2027-28 £m
Police officer pay	2,534.2	2,588.0	2,700.5	2,706.6	2,749.4
Police staff pay	792.1	807.4	853.1	851.5	864.8
PCSO pay	74.2	79.5	85.3	98.3	99.8
Total pay	**3,400.5**	**3,474.9**	**3,638.9**	**3,656.4**	**3,714.1**
Police officer overtime	153.1	184.3	174.7	175.8	177.0
Police staff overtime	20.2	40.2	28.9	28.9	28.9
PCSO overtime	0.3	0.7	0.2	0.2	0.2
Total overtime	**173.5**	**225.2**	**203.8**	**205.0**	**206.2**
Employee-related expenditure	35.7	54.1	34.8	34.7	34.7
Discretionary pension costs	51.8	54.6	48.0	46.4	47.3
Staff costs total	**3,661.6**	**3,808.8**	**3,925.6**	**3,942.4**	**4,002.2**
Premises costs	197.7	200.6	201.2	204.3	204.3
Transport costs	84.4	99.7	89.5	89.2	89.2
Supplies and services	592.8	673.3	570.8	641.7	638.4
Third party payments	110.4	112.4	104.8	88.2	85.9
Capital Financing costs	150.4	128.9	162.6	184.5	210.9
Total running expenses	**1,135.6**	**1,214.9**	**1,128.9**	**1,208.0**	**1,228.8**
Total gross expenditure	**4,797.2**	**5,023.7**	**5,054.5**	**5,150.4**	**5,231.0**
Sales, fees, charges and recharges	-340.1	-376.7	-328.5	-322.4	-320.9
Specific grants	-738.4	-886.2	-817.9	-814.0	-814.0
Interest receivable	-13.3	-16.4	-13.3	-13.3	-13.3
Total gross income	**-1,091.8**	**-1,279.3**	**-1,159.6**	**-1,149.7**	**-1,148.2**
Net expenditure	**3,705.5**	**3,744.4**	**3,894.9**	**4,000.7**	**4,082.7**
Savings to be found MPS	0.0	0.0	0.0	-150.3	-203.6
Savings to be found MOPAC	0.0	0.0	0.0	-4.2	-4.1
Transfer to/(from) reserves	-155.6	-194.5	-103.0	-19.8	-15.7
Home Office Police Grant	-2,401.6	-2,401.7	-2,632.8	-2,632.9	-2,632.9
Financing requirement through GLA	**1,148.3**	**1,148.3**	**1,159.1**	**1,193.4**	**1,226.5**
Local Government settlement grant	5.2	5.2	0.0	0.0	0.0
Retained business rates	129.2	129.2	130.7	133.2	135.6
Share of Council Tax collection fund surplus	50.2	50.2	0.0	0.0	0.0
Council tax requirement (inc. Police Precept)	**963.7**	**963.7**	**1,028.4**	**1,060.2**	**1,090.8**

Annex 5: 2025-26 A NEW MET FOR LONDON SCHEDULE

Programmatic activity

Programme	**Description**	**2025-26 Funding** (£m)		
		Slippage	Growth	**Total**
Frontline Policing	Frontline transformation	-	4.0	**4.0**
Criminal Exhibits	Transforming criminal exhibits	-	2.6	**2.6**
Culture, Diversity and Inclusion	Development and implementation of operating model	-	2.6	**2.6**
Professionalism	Programme delivery costs	0.3	1.2	**1.5**
	Implementation of automated credit checks	-	0.1	**0.1**
	Delivery of vetting case management system	-	0.7	**0.7**
	Required IT platform ('integration layer')	-	0.9	**0.9**
	Associated HR costs; and professional standards training	-	0.2	**0.2**
Learning and Leadership	Fixing our L&D foundations	2.0	-	**2.0**
	Building New Recruit training operating model	0.7	-	**0.7**
	Programme delivery costs	0.8	-	**0.8**
Resourcing the Met	Improving our workforce planning capability	-	1.0	**1.0**
	Organisational alignment (Phase 2)	-	0.4	**0.4**
	Programme delivery costs	-	0.3	**0.3**
	Priority civilianisation activity	-	15.9	**15.9**
	Civilianisation 1000	-	-	**-**
Digital Enablers	Improving our analytics capability	-	3.2	**3.2**
	Improving data literacy	-	0.8	**0.8**
	Building an Enterprise Data Warehouse	-	1.5	**1.5**
	Developing automation solutions	-	0.8	**0.8**
	Redaction	-	0.5	**0.5**
	Fixing our data foundations	-	1.5	**1.5**
	Programme delivery costs	-	1.0	**1.0**
Met Business Services	Delivery of new Met Business Services platform	-	14.7	**14.7**
National Law Enforcement Data Service	Delivery of MPS interface into NLEDS (PNC replacement)	-	2.4	**2.4**
Command and Control	Delivery of new Command and Control system	-	14.0	**14.0**
Enabling Functions	Critical resource for transformation delivery	-	4.5	**4.5**
		3.8	**74.8**	**78.6**
	Programmatic planning assumptions:			*(12)*
	NMfL Programme budget			**66.6**
Baseline increases to business groups for fixing the foundations – now in business group budgets	Professionalism	-	7.3	**7.3**
	Enabling Functions	-	18.8	**18.8**
	Delivery Partner	-	0.3	**0.3**
	L&D	-	0.8	**0.8**
	Strategy and Transformation	-	4.5	**4.5**
	Technology	-	2.0	**2.0**
	People	4.5	-	**4.5**
	Total	**4.5**	**33.7**	**38.2**
Total New Met for London schedule				**104.8**

Annex 6: Capital Tables – 20 year plan

	24/25 F'cast £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	29/30 - 33/34 £m	34/35 - 38/39 £m	39/40 - 43/44 £m	TOTAL £m
PSD- Forward Works and BAU	44.6	33.9	75.8	77.4	47.4	203.1	203.1	203.1	**888.4**
Fleet	35.0	37.5	26.1	30.3	25.1	192.4	176.1	194.8	**717.4**
DDaT	62.3	69.7	70.0	67.9	73.5	430.0	350.0	350.0	**1,473.5**
CTPHQ	32.9	20.5	19.0	18.6	21.4	104.6	98.6	102.1	**417.8**
Met Operations- Covert and Forensics	9.8	7.8	11.8	9.2	5.8	38.4	38.8	41.0	**162.6**
Sub Total Excluding Transformation	***184.7***	***169.4***	***202.7***	***203.5***	***173.3***	***968.6***	***866.7***	***891.0***	***3,659.8***
Transformation NMfL Programme Command & Control	68.6	37.1	22.5	19.5	5.1	8.3	5.9	0.0	**166.9**
Transforming Investigation and Prosecution	8.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**8.1**
Operational Support Services	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.2**
Learning and Professionalism Transformation	0.1	0.5	0.5	0.0	0.0	0.0	0.0	0.0	**1.1**
TD NMFL Programmes	13.1	30.4	41.4	13.9	0.0	0.0	0.0	0.0	**98.9**
PSD - Bringing existing MPS buildings to a NMFL quality standard	0.0	41.7	0.0	0.0	0.0	0.0	0.0	0.0	**41.7**
PSD- Central Estates Programme	35.3	15.1	2.9	2.8	0.0	0.0	10.1	0.0	**66.1**
PSD- Transforming the Workplace	8.5	44.2	83.6	38.3	3.6	0.0	0.0	0.0	**178.3**
Transformation - long term estimate	3.0	0.0	9.0	12.0	15.4	97.0	100.0	100.0	**336.4**
Sub Total Transformation	***136.9***	***169.0***	***160.0***	***86.5***	***24.0***	***105.3***	***115.9***	***100.0***	***897.7***
Total Programme Cost	**321.6**	**338.4**	**362.7**	**290.0**	**197.3**	**1,073.8**	**982.6**	**991.0**	**4,557.4**

Funding									
Capital Receipts	3.0	13.8	4.3	8.9	14.5	3.5	61.3	1.7	111.0
Third Party Contributions and Capital Grants	53.5	36.8	32.6	31.3	33.4	146.0	148.5	153.1	635.1
Unfunded	265.1	287.9	322.4	246.5	146.1	907.8	756.3	819.8	3,751.9
Revenue Contributions	0.0	0.0	3.3	3.3	3.3	16.5	16.5	16.5	59.4
Total funding	**321.6**	**338.4**	**362.7**	**290.0**	**197.3**	**1,073.8**	**982.6**	**991.0**	**4,557.4**

Financing costs **Capital financing expenditure item**	**24/25 F'cast £m**	**25/26 £m**	**26/27 £m**	**27/28 £m**	**28/29 £m**	**29/30 - 33/34 £m**	**34/35 - 38/39 £m**	**39/40 - 43/44 £m**	**TOTAL £m**
Provision for repayment of debt	87.9	108.2	120.5	139.4	156.9	896.8	883.7	859.7	3,253.1
External interest	37.0	49.8	58.4	66.0	64.7	300.0	275.4	272.1	1,123.4
Total	124.9	158.0	178.9	205.4	221.6	1,196.8	1,159.1	1,131.8	4,376.5

Annex 7: MPS Governance and Controls Summary

Continuing on the delivery of reform set out in New Met for London (NMfL) and operational performance in the context of a challenging budget requires effective governance and control at all levels of the organisation. The tough choices that we are forced to make, and those efficiencies that we are choosing to make, will both require strong leadership and a significant amount of organisational change.

<u>Key governance arrangements</u>
The governance arrangements within the MPS are established and working effectively. However, the scale and complexity of change required in 2025-26 and beyond means that there is a far greater need to ensure that key dependencies are understood and key decisions are governed appropriately. In recognition of this, a new central function has been established, Engine Room, to co-ordinate the design and delivery of efficiencies and tough choices. Delivery remains the responsibility of relevant business groups and identified SROs.

Executive level

- The underpinning work to develop the 2025-26 budget will be developed into a business plan that will be governed and approved by Management Board.
- On a quarterly basis, ExCo will monitor delivery against the business plan including the budget. Key issues will be escalated to Management Board. This supplements the monthly ExCo Finance Flash which reports on YTD spend, forecast, opportunities and risks across the revenue and capital budget. Work will be undertaken to continue to refine the Flash report, incorporating workforce monitoring and management into the regular reporting
- More routine monitoring will take place on a monthly basis on key aspects of the plan – specifically financial, workforce and change.

(New) Engine Room

- The Engine Room has been set up as an interim capability, led by a Chief Officer to make the organisational and operational changes necessary to deliver our affordable design, address the budget gap through tough choices and efficiencies, and whilst organising and deploying our people better.
- The Engine Room will work with Tough Choice and Non-workforce Efficiency Leads to make the necessary changes to achieve reductions.
- As part of this a Workforce Resourcing Board has been set up to monitor and govern the workforce plan for officers, staff, PCSOs and agency and contractors. This will make in-year adjustments for recruitment based on changes we see in areas such as attrition, and specific areas such as externally funded posts' management. It will report monthly to ExCo, and then as part of the Finance Flash quarterly update to Management Board.

(New) Investment & Portfolio Group

- The Investment & Portfolio Group is the new single investment 'gate' for all MPS investment, and reviews and approves Business cases in line with delegations from MOPAC.
- It is chaired by Chief Strategy and Transformation Officer, and members include business group representatives, head of functions and SRO's of key programmes. MOPAC attend as an ex-officio member.
- It replaces the previous Investment Group, Transformation Group and Assurance Sub-Committee.

Business groups

- All business groups, supported by business partners, will remain responsible for the delivery of their own commitments in the business plan.
- Business groups will be supported through enhanced monthly reporting to allow them to monitor delivery of their commitments including delivery of efficiencies, workforce and financial performance.

Assurance

- The Audit, Risk and Assurance Committee meets on a quarterly basis and reports to Management Board on the management of corporate level, organisation-wide risks. It is independently chaired by a non-executive director.
- The Joint Audit Panel comprises 5 members, all of whom are independent of MOPAC and MPS. The Panel meets at least quarterly and all meetings are attended by representatives of MOPAC and Met Boards. The Panel endorses the annual internal and external audit plans, reviews key risk management and governance processes and reviewed the financial statements of both organisations.

<u>Key control arrangements</u>

The control framework within the MPS is not proposed to be altered significantly, but a balance is required between empowering and delegating decision making to business groups and lower levels of the organisation; and, ensuring appropriate centralised control.

Principles

The following control framework principles have been developed and agreed:

1. Leadership – driving activity, demonstrating understanding of the financial challenge
2. Effective risk management - identify, assess and manage key financial risks with tolerance levels
3. Defined expectations - achieving confidence in baseline budget and being clear on agreed outcomes
4. Clear lines of accountability - set at most appropriate level to exercise control
5. Well-defined guidance and expert support - to those accountable/budget holders
6. Defined, timely and accurate data and reporting – supporting effective decision making
7. Robust local management oversight - enabled by accurate and reliable data and expert advice
8. Decision making aligned to agreed priorities – activity aligns to NMFL and MTFP
9. Agile and robust forecasting - based on real time and accurate data – release savings to corporate centre at earliest opportunity.
10. Corporate oversight and assurance - agile reporting of overall budget position, highlighting trends/key areas of risk informing key decisions and providing timely assurance.
11. Approved budget revisions - set against approved criteria in line with agreed priorities and approved in line with accountability framework.

Monitoring

- Business group budgets will be finalised in the first quarter of 2025-26 incorporating the allocation of cross-business group efficiency savings and the workforce impact of tough choices. Until then, budget monitoring will be against indicative budgets as currently presented.
- There will be the need to monitor pay budgets centrally, as well as within business groups. To aid with this, a new resourcing board has been established.

- A financial Flash report will continue to be presented to the Executive Committee on a monthly basis, commencing period 2. A strong focus will be placed on key areas – pay, overtime and delivery of agreed efficiency savings. Work is underway to automate reporting so that business groups can self-serve access to timely and accurate financial and non-financial data from PSOP.
- A full finance report, including proposed budget adjustments will be produced on a quarterly basis – this will form the basis of reporting to MOPAC on delivery of the MPS budget.

Efficiencies

- All efficiencies have an identified business owner. That owner is responsible for developing a plan, to be agreed with the Savings and Efficiency Office, which business group budgets are to be reduced for agreed savings. This exercise will be completed in the first quarter of 2025-26. Budgets will be reduced in line with these agreed plans and monthly reporting will be against this revised budget position.

- Where efficiencies are not delivered, they will be replaced with alternative savings of an equivalent value. In addition, the Savings and Efficiency Office will continue to work with business areas to develop a pipeline of future efficiency options to ensure that the full efficiency target can be achieved or exceeded.

Delegation

- Detailed delegation letters are to be issued to Assistant Commissioners and Chief Officers before the start of the financial year. This sets out the responsibilities of budget holders in managing their budgets. It also sets out the financial framework to make sure that budget holders are fully aware of their budgets and the detail behind it. The financial framework is currently under review.

- The MOPAC Scheme of Consent and Delegation is under review and we anticipate changes in financial delegation thresholds to be agreed early in 2025-26.

Capital Programme

- The capital programme has been subjected to a thorough review through the budget process. The ambition and affordability of the capital programme is an important aspect of the Spending Review and will continue to be reviewed during the year.

Annex 8 - Environmental impact and Climate Budget Responding to the London Climate Budget - Annual Summary

1. Introduction

1.1. 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 within the MPS.

1.2. The current 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'

1.3. Between April 2021 and March 2025, the MPS will have spent £30 million on discrete decarbonisation projects and energy efficiency measures which have together reduced carbon emissions by over 1,800 tonnes CO_2e (Carbon Dioxide Equivalent) per annum across 21 buildings. The MPS has c. £15 million of projects underway to decarbonise 7 further buildings which will be completed by March 2026, further reducing annual carbon emissions by 880 tonnes CO_2e. Together these initiatives will reduce our gas related carbon emissions by c.11 per cent. In support of the £45m of projects, we have obtained £15m of grant funding from central government.

1.4. 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 is working 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'

1.5. Around 50 per cent 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 (EV).

1.6. 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).

1.7. This team, funded within Table A (Project Electra), is developing a balanced solution across the 'trilemma' where a positive solution to one may provide an unacceptable outcome to another. The three areas are:

- Type and capacity (charge, load, speed) of electric vehicles or other form of transport (car, bike, moped etc).
- Availability and reliability of chargers (capacity and queues).
- The need to change operational processes to reflect (a) and (b) whilst ensuring operational performance targets are not compromised.

1.8. As part of that strategy and options analysis, a phased approach is being implemented, with a series of pilots testing various types of charger arrangement and vehicle type, including stress testing charging capacity under peak conditions. The results of these surveys will be overlaid on the likely 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).

1.9. 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.

1.10. 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, except for the historic fleet and a very small number of specialist vehicles. The fleet now includes over 1,200 electric, hybrid or hydrogen vehicles, and the entire general purpose fleet of over 800 vehicles is now hybrid or fully electric. The MPS is seeking to ensure that all new vehicles purchased beyond 2025 will be either hybrid or fully electric and, to support this, trials are ongoing with high performance EVs to test their ability to perform to the required standards in terms of performance, battery life and load carrying capacity. As the fleet completes its transition to EV up to £201million (currently unfunded) could be required to provide the necessary charging infrastructure to support the fleet.

'Power Purchasing'

1.11. The MPS is currently engaged with the GLA Group Energy Procurement programme which aims to identify and pursue a viable option for the procurement of a significant proportion of electricity supply via a PPA by 2030 on behalf of the GLA group. The GLA group / MPS needs to establish a viable route to market, ensuring that this represents value for money, and gain approval through the necessary governance routes. We await the development of the GLA PPA business case. In recent correspondence, we were advised by the GLA of a CCS-led PPA framework which is likely to be the preferred route to market. Once the business case is developed, the MPS will assess on the basis of value for money and affordability and assuming these can be demonstrated, go through the usual governance channels for approval.

2. Scope

2.1. 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 was required and incorporated 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. This submission covers scope 1 and scope 2 emissions, consistent with the GLA's guidance for Level 2 reporting.

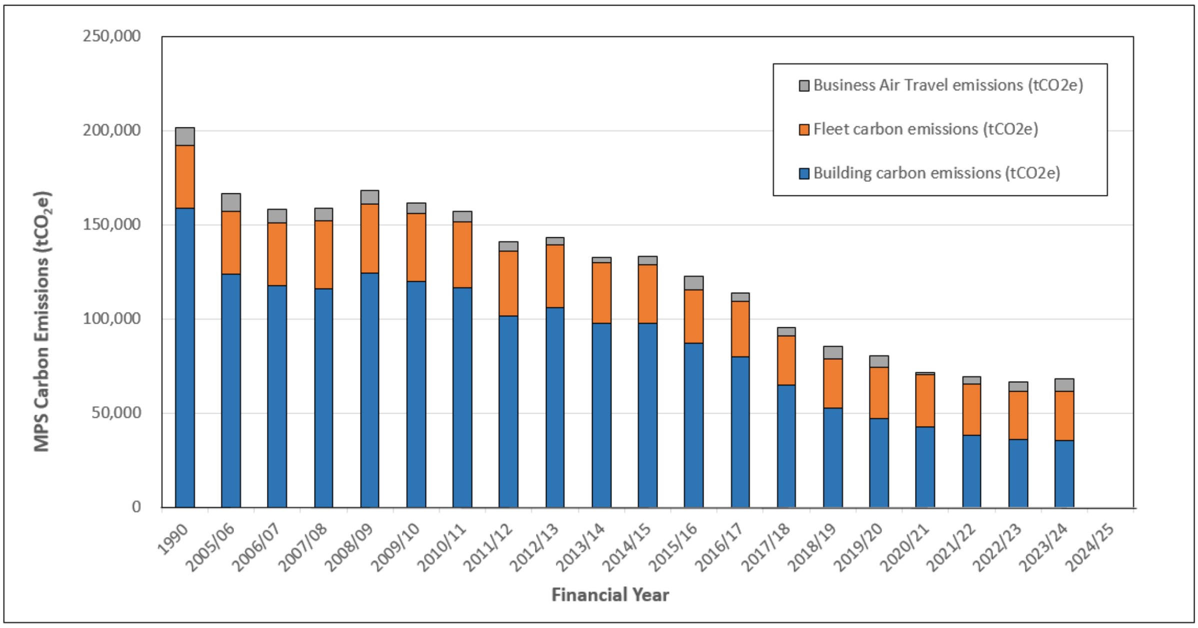
Future Level 3 reporting (including Scope 3)

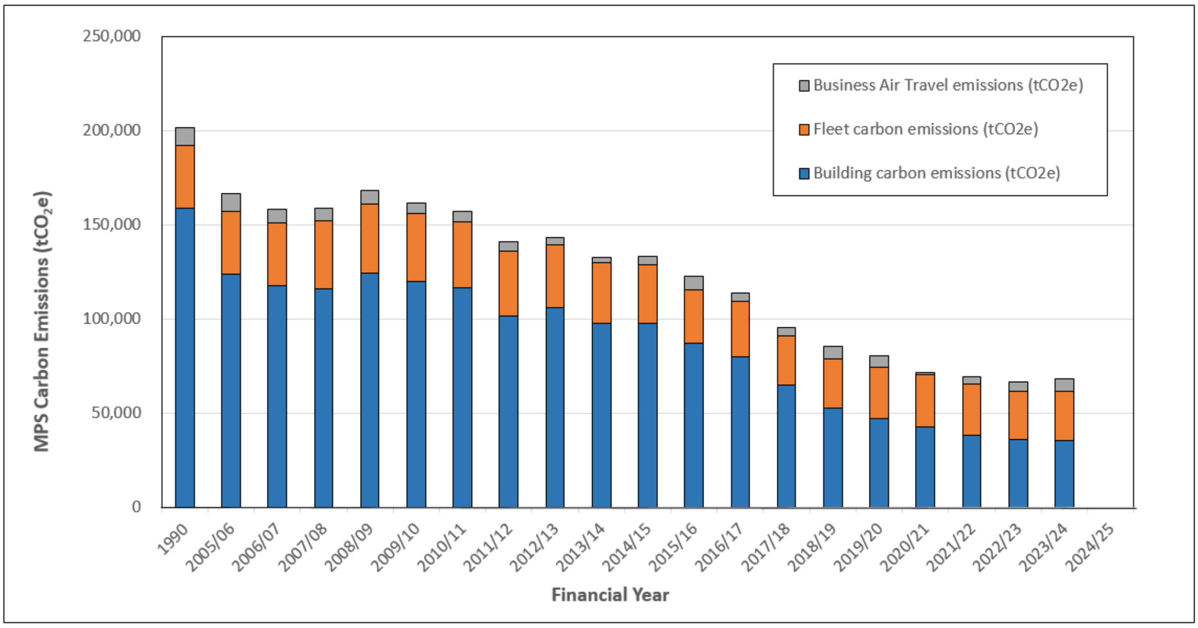
2.2. The GLA has postponed the scope 3 reporting requirements to 2026-27. The MPS has discussed with consultants a scope of work to baseline the MPS scope 3 emissions. The assessment would be based on an expenditure basis and using direct measurements wherever possible. The intention beyond this point is to identify areas for scope 3 carbon reduction and work with the supply chain to implement carbon reduction measures on a prioritised basis - subject to funding and resource.

Greenhouse gas emissions

2.3. Historic emissions are shown in Figure 1a 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 per cent 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.

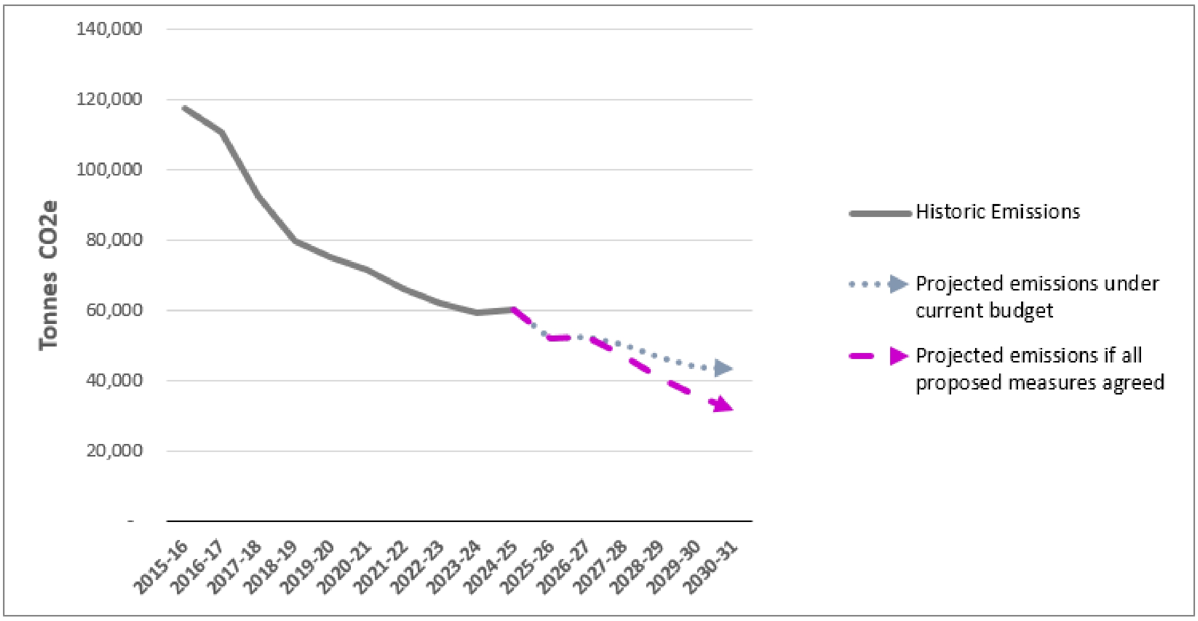
Figure 1a: Historic Reported Emissions





2.4. Figure 2b (based on national grid electricity decarbonisation forecasts) below shows 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 in carbon intensity by 7 per cent, which similarly affects all reporting organisations across the UK.

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



2.5. Assuming implementation of all decarbonisation measures currently planned (both budgeted and unbudgeted requirements), the MPS's estimated residual emissions are 31,458tCO2e The estimated carbon emissions represent a 83.9 per cent reduction to 1990 baseline emissions at 2030 (the MOPAC target date for decarbonisation of heat in buildings), and 10,888tCO2e, or 94.4 per cent reduction to 1990 baseline emissions at 2035 (the accelerated target date for the replacement of fleet).

Summary of <u>current</u> level 1 (estate and fleet) climate measures underway and progress in delivery (Table A)

Summary of current level 1 (estate and fleet) climate measures underway and progress in delivery (Table A))

2.6. A significant number of properties are proposed for retention under the (yet to be approved) MPS/MOPAC Estate Strategy. This will require the associated carbon emissions being added back into the estate measurements. Measures implemented in previous budget year (2024-25) include:

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

- Continued the estate wide LED replacement programme
- Obtained planning approval and delivery of Gilmour Section House (PSDS 3a)
- Delivery of 13 (PSDS 3b) projects, costing c.£30 million
- Started six (PSDS 3c) projects, with forecast costs of c.£15 million
- Progressed with the design for the decarbonisation of Empress State Building, supported by £1million grant from the GLA
- Ongoing rollout of Project Winston, vehicle telematics rollout with 1000 vehicles now fitted with telematics
- Initiated three fully electric Incident Response Vehicle and wider EV trials
- Launched an ultra-rapid charging pilot for a range of different response vehicle types
- Completion of PSDS 3c projects
- Continuation of the estate wide LED replacement programme
- Ongoing Building Management System Optimisation Interventions
- Continuing the installation of vehicle telematics
- Continuation of EV charging pilot roll outs to understand required operational changes

Potential gap in funded actions required to deliver net zero by 2030 (Table B)

2.8. 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 have been uplifted by 20 per cent for inflation and to reflect the learnings as projects have progressed. The gap is broadly split into four components

Estates

2.9. 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 £66 million 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.

2.10. 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 per cent decarbonisation of the estate could be achieved by 2030. However if there is no further funding available to support these additional costs to the building life cycle replacement budget, the extent of decarbonisation will fall short of this projection.

2.11. There is a key opportunity to decarbonise ESB by linking it to the planned low temperature district heating min being planned by the Earls Court Development Company. Whilst it is considered that there are opportunities to part fund the costs of these via contributions from ECDC and from Central Government partners, a funding shortfall of £10-20 million remains which is currently unfunded.

2.12. 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

2.13. 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 Electric Vehicle (EV) over hybrid through the replacement of almost the entire fleet five years earlier than scheduled. The more immediate risk comes from Internal Combustion Engine (ICE) vehicle availability, with vehicle manufacturers expected to discontinue sales of high performance ICE models in favour of EV as early as 2028.

EV Charging infrastructure

2.14. Telematics rollout is providing a new evidence base on which to accurately assess the MPS charging requirement – the power and number of chargers at each site – through analytics feasibility studies. In parallel with this rollout, the MPS is running a series of EV charging infrastructure pilots to understand the necessary behavioural change to integrate EVs into vehicle categories that are at most availability risk. These feasibility studies and pilots will inform the planning for a wider roll out of a private EV charging network which would need to start in 2025-26 (in order to rollout EVs between 2030 and 2035). The extent to which the public charging network can be used will affect the private infrastructure required, and a series of initiatives are being implemented to ensure officers maximise its use.

Resilience Infrastructure

2.15. A detailed desk top assessment needs to be undertaken to identify the building resilience requirements and risk profile due to changing ICE requirements - this work remains unfunded.

2.16. MPS need to complete scenario testing from a fuel shortage for ICE vehicles (more likely and wide spread) to that of the impact of local and wide spread power failures for an EV Fleet.

2.17. It should be noted that the likelihood of a wide spread failure versus a fuel shortage is significantly lower, and that if we had a widespread power failure, the impacts would be much more far reaching than that of a petrol/diesel shortage.

2.18. In support of this work, MPS propose to undertake a feasibility study (using Aitken Road as a potential back-up site) in the next tranche of the EV pilot rollout programme 'Project Electra' and will be seeking approval for the study to move forward.

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

2.19. 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 and fleet. 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.

3. Climate Change Adaptation Measures

3.1. The MPS has discussed with consultants a scope of works for undertaking a climate adaptation assessment based on the Task Force on Climate-Related Financial Disclosures (TCFD) methodology, using the framework for identifying gaps in existing risk management processes and to provide recommendations for ongoing climate-related risk strategy. The work will comprise a series of collaborative stakeholder workshops in the TCFD themed areas of: Governance; Strategy; Risk Management; and Metrics and Targets. The key deliverable will be a Climate Change Adaptation report detailing the key climate adaptation risks, and highlighting gaps in climate adaptation planning and recommendations for next steps. We recognise that there already exists considerable knowledge and expertise in this area arising from the MPS's business continuity planning. The start date for this work is subject to funding, resource and security clearance requirements.

4. Risks and Uncertainties

4.1. 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. Key Risks are:

- Affordability of funding set against the operational cost of delivering Police and Crime Plan priorities. Funding options will be explored.
- Bids for grant funding to national decarbonisation schemes (e.g. future rounds of PSDS) are not successful due to the implications of the new assessment criteria or to oversubscription for available funding.
- 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 to-be approved Estate Strategy.
- Public EV charging is not available to meet MPS demand, 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 January 2024 change in UK government targets for the restriction in sale of ICE vehicles .
- PPA is not achievable, affordable or value for money
- The MPS Resilience review identifies far larger resilience requirements for EV charging.

Climate Budget

Table A: Level 1 Climate Measures - Funded: Estate & Fleet only

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.	*borrowing and receipts*	2020/21	2025/26	Enabler
Buildings	Forward Works inc. LED replacement programme	The capital costs and benefits captures all 'Forward Works' asset improvements which significantly affect decarbonisation (e.g. insultation and window upgrades), including our standalone LED Lighting improvement project from 2021/22 to 2025/26.	*borrowing and receipts*	2021/22	2034/35	12,886
Buildings	Empress State Building		*GLA*	2023/24	2025/26	Enabler
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 Met vehicle using GPS technology.	*borrowing and receipts*	2020/21	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.		2024/25	2025/26	9,055
All	Climate Change Adaptation Strategy Development	The Met'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.	*revenue*	2024/25	2026/27	Enabler

Climate Action Area	Climate Action	Year emissions savings start	Average annual CO2e savings to 2030, tonnes	Co-benefits	Total Exp. 25-26 £'000	Total Project Cost £'000	Capital/Revenue /Mixed	Total cash savings 25-26 £'000
Transport	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:	£1,200	£6,532	Capital	£0
Buildings	Forward Works inc. LED replacement programme	2022/23	419	Improvement to Building Fabric and renewal of assets.	£1,000	£115,448	Capital	£0
Buildings	Empress State Building	Enabler	Enabler	reduced costs from partnership approach	£0	£998	Capital	£0
Transport	Project Winston (Telematics)	Enabler	Enabler	This technology will support the future strategic deployment and charging strategies of the Met Fleet.	£500	£3,000	Capital	£0
Buildings	PSDS Phase IIIc (24-26 delivery)	2025/26	611		£10,127	£10,127		-£3

All	Climate Change Adaptation Strategy Development	Enabler	Enabler		£33	£100	Revenue	£0

Climate Action Area	Climate Action	Comments
Transport	Met Zero Programme_Fleet Charging, including Project Electra MPS	Note that these figures for 24/25 & 25/26 represent the £2.4m of funding that has so far been approved by the Met Zero Carbon Steering Group. The remainder of the MOPAC approved Electra budget (£6.5m) will be used on future EV Charging Infrastructure rollout subject to approval by this group – this will determine the spend profile from 25/26 onwards. 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 developiong the strategy and detailed requirements prior to moving forward with significant implementation of strategic charging infrastructure.
Buildings	Forward Works inc. LED replacement programme	The spend profile against this line is adjusted down to reallocate the MPS contribution to the grant funded project line (PSDS 3c)

Buildings	Empress State Building	The GLA has approved the full funding of the feasibility and design development up to Stage 4 for the decarbonisation of ESB and possible link to the 5th generation heat network with a local developer ECDC. £998k funding has been provided. The total project cost is likely to be circa £30m which is currently unfunded.
Transport	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.
Buildings	PSDS Phase IIIc (24-26 delivery)	PSDS 3c application made in late 2023. Grant award confirmed in March 2024. Year 1 (2024/25) spend includes £2m grant funding. Year 2 (2025/26) includes £3.7m grant funding.
All	Climate Change Adaptation Strategy Development	We recognise climate adaptation as a key operational risk, and we have engaged with specialist consultants to provide a proposal to undertake a climate adaptation risk assessment on behalf of the MPS. This will involve engagement with various business groups from across the organisation whose activities either affect, or are affected by, climate change. The consultants commissioned to undertake the work are required to be security cleared, which is currently incurring delays to project commencement. During Q2 separate discussions were initiated to understand the implications of climate risk on the property estate. 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.

Climate Budget

Table B: **Level 1 Climate Measures - Unfunded and unadopted - Estate & Fleet only**

Climate Action Area	Climate Action	Description	Funding Source	Year funding starts	Year funding ends	Lifetime cumulative CO2e savings, tonnes or Enabler Measure
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.	unidentified - revenue	2024/25	2027/28	Enabler
Buildings	Estates Remaining Net Zero Carbon (NZC) Impact Assessment Actions to decarbonise buildings (not inc. EV charging)	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	165,863
Transport	Fleet Vehicle Replacement Programme - Acceleration of BAU	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	Design a resilience solution for the fleet in parallel upgrading to EVs	unidentified - grant or debt	2026/27	2033/34	Enabler

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.

Climate Action Area	Climate Action	Year emissions savings start	Average annual CO2e savings to 2030, tonnes	Co-benefits	Proposed Exp. 25-26 £'000	Total Proposed NZ Expenditure £'000	Capital/ Revenue/ Mixed
Electricity	PPA zero carbon electricity implementation stage	Enabler	Enabler	Some improvement in price stability (although negative correlation with CFD costs at higher PPA levels).	£50	£100	Revenue
Buildings	Estates Remaining Net Zero Carbon (NZC) Impact Assessment Actions to decarbonise buildings (not inc. EV charging)	2027/28	3,991	Improvement to Building Fabric and renewal of assets.	£0	£183,467	Capital
Transport	Fleet Vehicle Replacement Programme - Acceleration of BAU	2027/28	670		£0	£27,889	Capital
Transport	Fleet EV Charging Infrastructure.	2027/28	2,472		£0	£201,081	Capital

Resilience	Resilience Requirements - Fleet and Estate	Enabler	Enabler		£0	£31,894	Capital

Climate Action Area	Climate Action	Proposed cash savings per annum £'000	Total Proposed NZ cash savings £'000	Grant and/or Debt funding?	Readiness	Comments
Electricity	PPA zero carbon electricity implementation stage	£0	£0	Unidentified - revenue - to be confirmed, although PPA will only be progressed if value for money is determined.	2-	The MPS is currently engaged with the GLA Group Energy Procurement programme which aims to identify and pursue a viable option for the procurement of a significant proportion of electricity supply via a PPA by 2030 on behalf of the GLA group. The GLA group / MPS needs to establish a viable route to market, ensuring that this represents affordability, value for money, and will gain approval through the necessary governance routes. We await the development of the GLA PPA business case. In recent correspondence, we were advised by the GLA of a CCS-led PPA framework which is likely to be the preferred route to market. Once the business case is developed, the MPS will assess on the basis of value for money – one of the main drivers for purchasing greener electricity – and assuming this can be demonstrated, go through the usual governance channels for approval.
Buildings	Estates Remaining Net Zero Carbon (NZC) Impact Assessment Actions to decarbonise buildings (not inc. EV charging)	£3,534	£17,490	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.
Transport	Fleet Vehicle Replacement Programme - Acceleration of BAU	£431	£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.
Transport	Fleet EV Charging Infrastructure.	£269	£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	Resilience Requirements - Fleet and Estate	£0	£0	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.

Climate Budget

Table C: Level 2 Climate Measures - Funded measures to cut emissions and support climate adaptation across London (outside of GLA's own Estate and Fleet)

Table D: Level 2 Climate Measures - Unfunded measures to cut emissions and support climate adaptation across London (outside of GLA's own Estate and Fleet)

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 as Scope 3 emissions are considered in more detai