

Budget submission - MOPAC and MPS 2026-27 Budget and Medium-Term Plan 2027-28 – 2028-29

1. Introduction

Overview: The Mayor of London, the Deputy Mayor of Policing and Crime, and the Mayor's Office for Policing and Crime

- 1.1. The Mayor of London is London's Police and Crime Commissioner and is the occupant of the Mayor's Office for Policing and Crime (MOPAC). In line with legislation, the Mayor has delegated this authority to the Deputy Mayor for Policing and Crime (the DMPC).
- 1.2. The DMPC, supported by MOPAC, is responsible for:
 - Setting the strategic priorities and budget for the Metropolitan Police Service (MPS) on behalf of the Mayor
 - Overseeing MPS performance, ensuring the organisation is run efficiently and effectively
 - Holding the MPS to account on behalf of Londoners, and
 - Investing in crime prevention activities and commissioning services to support victims of crime.
- 1.3. This budget submission is for the MOPAC Group, a functional body of the GLA. The MOPAC Group comprises two 'corporations sole', MOPAC (which includes the Violence Reduction Unit (VRU)) and the MPS. Where the submission refers to the MOPAC Group, this includes the collective comprising MOPAC, VRU and the MPS, otherwise references to the individual bodies refer to the budget of that body itself i.e., MOPAC, VRU or MPS.
- 1.4. The Mayor's top priority is keeping Londoners safe. In March 2025, following consultation with more than 4,000 Londoners, partner organisations and community groups, the Mayor published his Police and Crime Plan for London 2025-29. This Plan sets out the Mayor's high-level priorities for policing, crime and community safety in London for the period 2025 to 2029. This budget ensures the Police and Crime Plan for London is resourced sufficiently.
- 1.5. The Mayor continues to prioritise ensuring the Met is a trusted police service, representative of London, and delivers the highest possible service to every community in our city as part of building a safer London for everyone.

MOPAC

- 1.6. 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.

- 1.7. MOPAC also delivers several statutory functions such as co-funding London Sexual Assault Referral Centres (SARCs, also known as Havens) with the NHS, and providing the pan-London Appropriate Adults for children and vulnerable adults.
- 1.8. To support the Mayor and DMPC to fulfil their responsibilities, MOPAC has a dedicated team of officials including specialists in commissioning, oversight, policy, professional standards, research and analysis, community engagement, finance, and auditing.
- 1.9. 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, helping to support and challenge the MPS in a transparent and rigorous way.
- 1.10. MOPAC hosts the London Victims Commissioner (LVC), whose role is an independent role appointed by the Mayor. The role of LVC is to:
 - monitor how criminal justice agencies and support services comply with the Victims' Code of Practice
 - raise awareness of issues faced by victims and witnesses and
 - conduct research and produce reviews on victim support.
- 1.11. MOPAC's budget approved in March 2025 was balanced for 2025-26 through the delivery of savings of £3.6 million. However, it included a structural budget gap of £4.2 million for 2026-27 and £4.1 million for 2027-28, largely driven by a reduction in funding from reserves.
- 1.12. This budget explains how MOPAC's structural gap has been addressed, and a balanced budget presented for 2026-27. There remain small residual budget gaps for MOPAC of £0.2 million in 2027-28 and £0.3 million in 2028-29. The expectation is these will be bridged by further recurrent spend reductions identified during 2026-27.

VRU

- 1.13. London's VRU is a team of specialists who bring people across London together to better understand why violence happens and to take action to prevent it now, and in the long-term. The approach is rooted in prevention and early intervention and being a champion and a voice for young people and communities across London. Valuing the importance of education and being in school, the VRU invests in providing both support and positive opportunities for young people, working with communities to give them the tools and resources to deliver change where they live.
- 1.14. Investment is focused and targeted, ensuring interventions are joined up and follow the journey of a child or young person and the key relationships they hold; with programmes set across five priority areas:
 - Children and young people: reducing harm
 - Children and young people: positive outcomes
 - Families
 - Education
 - Communities and Place
- 1.15. The VRU budget is balanced across all 3 years from 2026-27 to 2028-29. Funding for the VRU is from a combination of ringfenced precept funding, Home Office specific grants, GLA funding for Holiday Hope and VRU reserves. The 2026-27 budget assumes £9.4 million of unconfirmed Home Office grants, this represents a reduction of £1.1 million from the £10.5 million included in the latest forecast for 2025-26.

The MPS and ‘A New Met for London’, Phase One and Phase Two

- 1.16. In 2022 the Mayor commissioned Baroness Casey to conduct an independent review of culture and standards in the MPS. In response to the findings of Baroness Casey’s review in 2023, and also those from 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, the Commissioner launched A New Met for London 2023–2025 (NMfL). NMfL set out the MPS’ three priorities for reform:
- Community crime fighting
 - Culture change
 - Fixing our foundations
- 1.17. In January 2025, the MPS was removed from ENGAGE following improvements made, and the MPS have now almost delivered NMfL. In Summer 2025, the MPS commenced consultation on phase two of NMfL which is due to be published shortly. This budget sets out how the MPS will resource the completion of phase one of NMfL and commence phase two.
- 1.18. In recent years the MPS financial position has been extremely challenging. The 2025–26 MPS budget included additional Home Office funding of £231.2 million including a £63.4 million increase in in the National and International Capital City (NICC) which is recurrent. In addition, the Home Office provided one-off funding of £50 million which has been used to protect police officer numbers in 2025–26 and 2026–27. The Mayor provided additional council tax funding of £65 million.
- 1.19. Despite this additional funding, in 2025–26 the MPS has still needed to deliver a mix of savings including £75 million from non-workforce efficiencies, £95 million from workforce reductions, and £90 million from other difficult choices which include scaling back capital plans and removing contingencies to close a £260 million budget gap. Future years included a budget gap of £150 million in 2026–27 rising to £204 million in 2027–28.
- 1.20. The savings delivered in 2025–26 have meant the MPS started the 2026–27 budget-setting process in a financially stronger place than last year (when the gap that required bridging was initially £450 million before mitigations were identified) and compared to where it expected to start in MOPAC’s published budget in March 2025 that estimated the 2026–27 gap to be £150 million.
- 1.21. In June 2025 the Government’s Spending Review announced a 1.7 per cent increase in ‘police spending power’. Whilst the detail of this will not be confirmed until the provisional grant settlement is announced in mid-December, a reasonable interpretation of the 1.7 per cent increase is additional Home Office income of £175 million in 2026–27 compared to 2025–26 levels. Partially off-set by new pressures (pay-related and ongoing significant transformation programmes), the MPS gap closed in this budget has revised down to £100 million.

2. Key Deliverables

- 2.1. This section sets out the most significant deliverables for the MOPAC Group in 2026–27 and over the period of this Medium-Term Financial Plan (MTP):

The Mayor's Police and Crime Plan 2025 - 2029

2.2. In March 2025, following consultation with more than 4,000 Londoners, partner organisations and community groups, the Mayor published his Police and Crime Plan for London 2025-2029. The plan outlines how MOPAC, the MPS, and partner agencies will work together to make London a safer city.

2.3. The key aims of the Plan are:

- **Reducing violence and criminal exploitation:** This includes tackling violence against women and girls, serious organized crime, and drug-related harm.
- **Building safer, more confident communities:** This involves increasing public trust in the police and improving responses to neighbourhood crimes like burglary, robbery, and anti-social behaviour.
- **Supporting and overseeing reform of the MPS:** MOPAC will oversee the MPS's performance and ensure it is accountable.
- **Improving the criminal justice system and supporting victims:** This aims to improve the support victims receive and ensure better outcomes from the criminal justice process.

2.4. To support the Plan, MOPAC has published an outcomes framework which sets out the key indicators for measuring implementation. MOPAC's Quarterly Finance and Performance report tracks in-year delivery of the Police and Crime Plan.

MOPAC's Delivery in 2025-26 So Far

- 2.5. Following publication of the new Police and Crime Plan in March 2025, MOPAC has been busy delivering the new plan. Prevention and early intervention, led by the VRU, as well as targeted police operations backed with record funding from City Hall, are two vital elements of the Mayor's public health approach to preventing and reducing violence, as is the key role MOPAC are playing through their pioneering work on GPS tagging and interventions with perpetrators already in the criminal justice system. This is making a difference. MOPAC analysis of MPS recorded crime found that the first nine months of 2025 saw fewer homicides in London than in the same period in any year since monthly records began in 2003. In the 12 months to the end of August 2025, violence with injury fell in every single Borough in London compared to the previous year.
- 2.6. The summer saw an intensive focus on making town centres safer, prioritising neighbourhood officers and working in close partnership with councils and businesses to crack down on crime and anti-social behaviour. MOPAC has been central to these efforts, through funding of the MPS, their ability to bring partner agencies together, and through the services they commission. This has seen important progress in a number of key crime types over the period. MOPAC analysis of MPS recorded crime, comparing quarter 2 2025/26 with quarter 2 2024/25, shows that business burglary has fallen by 21%, residential burglary has fallen by 6%, theft from the person has fallen by 16% and personal robbery has fallen by 13%. MOPAC are now working with the Home Office, the MPS and partner agencies on plans for further focused work to make town centres safer this winter.
- 2.7. MOPAC continue to push for better services for victims of crime, the new Ecosystem of Victim Services has now been live for one year, providing support to over 25,000 victims and witnesses since October 2024. MOPAC continues to make important progress on other key services for victims, including the Mayor's Domestic Abuse Safe Accommodation by-and-for grants fund, a new pan-London specialist stalking service and expansion of the Met Victim Voice Forums, and the year began with MOPAC convening an international summit to share best practice on tackling Violence Against Women and Girls (VAWG).
- 2.8. In September the Mayor's London Policing Board met to scrutinise the delivery of the MPS VAWG Action Plan and the ongoing transformation of frontline policing. The Board, a recommendation in Baroness Casey's review, continues to provide vital expertise, experience and insight to MOPAC's oversight of MPS reform. This work could not be more important, with the BBC Panorama investigation into Charing Cross Police Station and the publication of Dr Shereen Daniels' '30 Patterns of Harm' report underlining how much further there is still to go and will continue to be an area of focus. MOPAC has also continued to press ahead with its plans to transform community scrutiny of policing – which draws on the findings of the 'Black Voices on Policing' report and a pilot scheme launched in Hackney in 2023. Detailed design work is now underway on this future model.
- 2.9. The first 6 months have also seen a programme of intensive delivery across the other vital aspects of MOPAC's work – overseeing the work of the Met on behalf of Londoners to ensure that the service continues to evolve and improve; commissioning vital support services for victims of crime; investing in projects to prevent offending and reduce reoffending; and making sure that Londoners are involved in our work.

New Met for London Phase Two

- 2.10. Over Summer 2025 the MPS consulted on their next three-year plan for reform, a New Met for London Phase Two (NMfL2). The final version is due to be published later in 2025. NMfL2 seeks to build on the momentum from the first phase, further strengthening MPS' grip on crime and offenders, while continuing to rebuild trust and confidence, and restore the organisation's foundations.
- 2.11. NMfL2 is an ambitious plan but targets outcomes across a narrower range of crime types, focusing on what Londoners need most from the MPS and policing. It will see the MPS be more robust in how they spend their time, and place much more focus on how they can boost their productivity through investment in the ethical use of technology, automation and artificial intelligence (AI). NMfL2 will also see the MPS shift their focus, from large-scale reform of the organisation to fundamentally improving how they perform.
- 2.12. NMfL2 maintains the mission of More Trust, Less Crime and High Standards and sets the commitments for the next three years around the same pillars as phase 1:
- **Community Crime-Fighting:** The MPS remain committed to putting communities at the heart of precise crime-fighting in London, preventing crime through more proactive, data driven policing, building on progress in tackling Violence Against Women and Girls and domestic abuse, significantly improving the service to victims of crime, driving greater trust and confidence, playing a leading role in the national response to serious and organised crime and focusing on criminals causing the most harm to London;
 - **Culture Change:** While NMfL1 laid out important foundations, the MPS know it's not enough. The shocking behaviour exposed at Charing Cross Police Station in the 2025 Panorama programme and the Daniels report that evidenced how racism has shaped the MPS relationship with Black communities and affected Black officers and staff reflects how much more work remains and has intensified the MPS' resolve to fix it. They are committed to creating a culture that supports the organisation in keeping Londoners safe, better protecting communities who suffer disproportionately from crime, continuing to build a positive culture in their specialist units, including armed policing, measuring cultural success by combining data with what Londoners and the organisation tells them, upholding the highest standards and removing those who don't meet these.
 - **Fixing our Foundations:** The MPS will continue to make it easier for officers and staff to do their job, improving the health and wellbeing of their workforce and creating an efficient headquarters that enables better frontline performance. By getting this right, it will lay out the groundwork for lasting cultural change and more effective policing across London.
- 2.13. NMfL2 also introduces two new cross-cutting pillars:
- **Putting Crime-fighting First:** This pillar sets out how the MPS are responding to the challenging fiscal position by driving greater productivity and prioritising how they spend their time. In NMFL 2, the MPS commit to delivering precise policing by becoming a more productive, innovative, and tech-enabled organisation. The MPS will reduce time spent on non-crime, challenge unfair costs, cut bureaucracy, and reform their approach to complex and historical investigations; and
 - **Working in Partnerships:** This pillar sets out how the MPS will maximise the impact of their partnership working by agreeing shared priorities and solving problems collaboratively. In NMfL 2, the MPS commit to focusing on a smaller

number of high-value opportunities; breaking down organisational barriers; and creating new, more effective ways of working with partners

The Mayor's VAWG Strategy

- 2.14. The MOPAC VAWG strategy is a comprehensive plan to tackle violence against women and girls in London, with the long-term goal of eradicating it. The current strategy, being refreshed for 2025-2029, focuses on four key priorities: prevention, supporting victims, holding perpetrators to account, and building trust and confidence in the criminal justice system. It adopts a public health approach to prevention by addressing root causes like misogyny and harmful attitudes.
- 2.15. Key areas of the strategy:
- Prevention: The strategy aims to stop violence before it starts by addressing its root causes and promoting healthier attitudes and relationships, particularly among young men and boys.
 - Victim support: It includes commitments to improving support services for all victims and survivors, with a focus on those from diverse backgrounds, and working with the VAWG sector to strengthen its workforce.
 - Perpetrator accountability: The strategy includes a commitment to holding perpetrators to account for their actions through the criminal justice system.
 - Building trust: Efforts are underway to build trust and confidence in the criminal justice system and in particular the police's response to VAWG.
 - Workforce development: A key component is the development of a specific strategy to support the VAWG sector workforce.
- 2.16. The Mayor's VAWG Strategy 2022-2025 is being refreshed for 2025-2029 to align with the Mayor's Police and Crime Plan 2025-29 and the Domestic Abuse Safe Accommodation (DASA) Strategy. The new strategy will maintain the focus on eradicating violence against women and girls and will involve recommissioning the VAWG Expert Reference Group to support its delivery.

MOPAC-MPS Estate Strategy

- 2.17. The MOPAC-MPS Estate Strategy has been delayed for several years due to critical factors that impact the size and operational use of MOPAC estate, such as the Police Officer Uplift Programme 2020-2023, MPS decisions regarding hybrid working and the scale of financial challenge in 2025-26 necessitating several 'tough choices' on affordability grounds.
- 2.18. The MOPAC-MPS Estate Strategy is expected to be published in 2025-26 to deliver the vision:
- "To provide a safe and efficient estate which supports the Met to deliver its mission of More Trust, Less Crime and High Standards, meets the needs of the communities we serve, and enables our officers and staff to perform effectively every day"*
- 2.19. The previous Estate Strategy consolidated the MOPAC estate onto a much smaller footprint, whilst investing in the quality of retained buildings. Whilst MPS may still need to dispose of some sites, MPS know communities want to see police officers and staff out and about in their areas. This is why the forthcoming strategy will focus on increasing the

MPS' local presence and visibility, with a clear ambition of Neighbourhood Officers and PCSOs being within a 20-minute walk of their ward.

3. This Budget

Funding Assumptions for 2026-27

- 3.1. In developing this draft budget, the MOPAC Group must ensure that all planned expenditure is based on a prudent assessment of the funding available. This is particularly challenging this year. In June 2025 the Home Office announced the outcome of the 2025 Spending Review which included a 1.7 per cent annual increase in 'overall Police Spending Power' for the year 2028-29. The exact detail of what this means for the MOPAC Group will not be known until the Provisional Police Funding Settlement ('the settlement') is published in December 2025. The settlement will confirm the exact amount of police grant for the MOPAC Group for 2026-27, including any proportions ring-fenced for areas such as counter-terror policing. The settlement will also confirm the level at which the Mayor may propose to increase council tax without a referendum being held.
- 3.2. In the absence of the confirmed settlement for the MOPAC Group, several funding assumptions have been applied, which have been tested internally for prudence and realism, and have been shared with the Home Office for information. These funding assumptions are explained more fully below.
- 3.3. In addition, in 2025 the Government consulted on its proposed approach to local authority funding reform to be announced in the Local Government Finance Settlement 2026-27, the 'Fair Funding Review'. The consultation closed on 15 August 2025 and the outcome is yet to be announced. However, this has potential implications for the funding received by the MOPAC Group from business rates through the Mayor. In line with the Mayor's Budget Guidance 2026-27, this budget submission assumes a level of business rates funding equivalent to the previous year.

Budget Headlines

- 3.4. This submission sets out the MOPAC Group's revenue and capital budgets for the period 2026-27 to 2028-29 proposed by the Deputy Mayor for Policing and Crime (DMPC) to the Mayor. The budgets are based on current best estimates which will be subject to change in the final budget proposals. These have been prepared in accordance with the Mayor's Budget Guidance issued in July 2025 and will form part of the overall GLA Group Consolidated Budget to be agreed in February 2026.
- 3.5. The proposed budget for 2026-27 will:

For MOPAC and VRU

- Deliver a balanced budget in 2026-27
- Deliver ongoing savings and efficiencies within staffing and commissioned services to ensure that MOPAC and VRU are able to deliver within the resources available in a financially sustainable way.

For MPS

- **Maintain stability for officer numbers** throughout 2026-27 at the level they will end in March 2026. Whilst this means the MPS will not progress their ambition to grow operational strength over the medium term, it does protect officer levels

throughout 2026-27 at the level of March 2026 rather than reduce them. This reverses the 2025-26 trend which saw a reduction in officer and staff levels.

- **Allow the MPS to continue its reform programme by concluding Phase One of NMfL and commencing Phase Two.** This budget maintains investment in the MPS' continuing reform journey. It includes funding for intensification of cultural change as well as continuing delivery of the MPS' critical digital transformation programmes.
- **Provide the investment in innovative technology** the MPS need to drive productivity (better operational performance) and cashable efficiency (lower staff costs), delivering savings that pay for the full cost of the programme over a three-year period.
- **Deliver further efficiencies** with the 2026-27 budget assuming new savings of £15.0 million, baselining £55.4 million of the £75.0 million savings assumed in 2025-26, with a further £20 million non-workforce savings to be identified.
- **Deliver a scaled back capital programme** recognising that, in the absence of capital funding, the MPS rely on external borrowing for capital investment, placing an ever-greater strain on the MPS budget. The capital programme is therefore scaled back to deliver MPS priorities on technology, estate, fleet and NMfL ambitions.

Budget Detail: MOPAC & VRU MTP

The 'MOPAC Plan'

- 3.6. As part of the 2025-26 budget, MOPAC and VRU published a MTP with a MOPAC budget gap of £4.2million in 2026-27 and £4.1million in 2027-28. The VRU budget and MTP was balanced across all years.
- 3.7. To address the budget gap in 2026-27 and beyond, MOPAC Board has been developing, across 2025-26, the 'MOPAC Plan' which aims to:
 - Reshape the operating model to be more effective
 - Identify recurrent financial savings to close the budget gap and
 - Reduce headcount to become a smaller MOPAC.
- 3.8. The MOPAC Plan aimed to close the budget gap through a combination of workforce and non-workforce savings including reducing commissioned services. This draft 2026-27 budget includes MOPAC savings of £4.6 million in 2026-27, growth of £2.3 million and reserve funding of £2.1 million in relation to one off costs. The VRU 2026-27 budget includes efficiencies and savings of £0.5 million and growth of £0.5 million.
- 3.9. The workforce savings contained in the 2026-27 budget are subject to a consultation with MOPAC staff which commenced on 10 November 2025. Any changes to MOPAC's savings proposal following consultation will be reflected in the Mayor's and MOPAC final budget.

Assumptions

- 3.10. The MOPAC and VRU MTP is based on several grant assumptions which are not expected to be confirmed until sometime between January and March 2026. These assumptions are unlikely to be confirmed fully when the provisional Police grant settlement is announced in December 2025.

- 3.11. The draft budget assumes £31.7 million of specific grants, £22.3 million Ministry of Justice grants within MOPAC and £9.4 million Home Office grants in VRU. The working principle is that any reduction in specific grants received will be matched by a corresponding reduction in commissioning expenditure although executing this in practice within the 2026-27 financial years will present risk.

Budget Detail: MPS MTP

Assumptions

- 3.12. As part of the 2025-26 budget, the MPS 2026-27 gap was estimated at £150 million. Allowing for the estimated impact of the Spending Review 2025 ahead of December's Provisional Police Settlement, savings delivered through “managing the balance sheet” and accounting for new pressures on pay and significant MPS transformation programmes, the MPS have a budget gap of £20 million in 2026-27 they intend to bridge through non-workforce efficiencies.
- 3.13. As noted above, in June 2025 the Home Office announced the outcome of the 2025 Spending Review which included a 1.7 per cent annual increase in ‘core Police Spending Power’ for the year 2028-29. The exact detail of what this means for the MOPAC Group will not be known until the Provisional Police Funding Settlement is published in December 2025. The prudent estimate of a 1.7 per cent increase assumed in this budget submission for 2026-27 is additional income of £175 million compared to 2025-26 income.

Closing the Budget Gap

- 3.14. With the exception of £20 million non-workforce savings yet to be identified the MPS has a balanced budget for 2026-27, a significantly much better place to this time last year. This is partly because of the tough choices taken by the MPS in 2025-26 to reduce the size of their workforce to an affordable level and delivering recurrent non-workforce efficiencies. Without these measures, the MTP gap would have been considerably higher. This demonstrates that the MPS budget approach has matured, meeting their statutory requirement to operate within a balanced budget and moving the organisation to a more sustainable financial footing.
- 3.15. The MPS approach to balancing its budget and closing its budget gap relies on three elements: delivering more savings, managing the balance sheet and securing additional income.
- 3.16. The MPS have assumed that £55 million of savings delivered in 2025-26 are recurrent. In 2026-27, the MPS propose to identify a further £20 million recurrent savings across its enabling functions. The MPS will use benchmarking analysis to identify opportunities within these areas, building on functional assessments already undertaken through the 2025-26 Met HQ programme.
- 3.17. The MPS have reviewed where contingencies are held across the organisation and are proposing to consolidate and reduce these by £15 million. Maintaining an appropriate level of contingency is key to the MPS’ ability to managing financial risk effectively.
- 3.18. In addition to the income assumption referenced above, interpreting the 1.7 per cent increase in core police spending power as an additional £175 million, the 2026-27 budget makes further income assumptions. The MPS, Mayor and DMPC have consistently lobbied the Home Office to increase the MPS’ NICC grant to recognise the exceptional demands of policing London. The increase in NICC of £63.4 million in 2025-26, took the

grant to its highest level since 2010-11. A Home Office independent review conducted by former permanent secretary Sir Richard Mottram in 2015 concluded that NICC should be raised to £281 million (excluding support costs). This equates to £387 million in today's prices and represents underfunding of £138 million. Across the last decade therefore in real terms the MPS has been underfunded by £1,495 million.

- 3.19. Since his election in 2016, the Mayor has raised the police precept by the maximum allowed by government each year. Should the provisional police settlement allow the Mayor to increase Council Tax any further without a referendum, and should he decide to action the increase, a further £15 million income would be generated for the MPS.
- 3.20. Lastly, as noted previously, until the outcome of the Fair Funding Review is announced there are uncertainties remaining around business rates income. There are also uncertainties in relation to special grant income.

Technology Investment

- 3.21. Investment in technology and data is central to the MPS' NMfL plan, and to its MTP. By investing in innovative technology such as AI, the MPS could unlock significant operational benefits including streamlining administrative processes, releasing officers and staff to frontline delivery. This may lead to a reduction of resource required in administrative and back-office roles, with productivity gains allowing the MPS to reinvest these resources into frontline policing.
- 3.22. This budget proposes capital investment up to £30 million on innovative technology to realise cashable efficiencies in the medium term. However, this proposal may be amended if the final settlement for 2026-27 is worse than the estimates in this budget proposal. Whilst the MPS have provided high level information on the type of innovative technology investment they plan to undertake, further work is required to demonstrate that these would realise cashable efficiencies (to offset the cost of this investment), and to confirm whether the investment is of a revenue or capital nature.
- 3.23. Examples of the types of technological innovation the MPS is interested in exploring include:
 - Advanced data analytics and intelligence: predictive modelling for crime hotspots; link analysis for organised crime networks, cyber and fraud detection; automated validation, cleansing, and compliance checks.
 - AI and automation for operational efficiency: automating compliance checks against CPS standards; deploying AI transcription to create accurate victim/witness statements.
 - Situational awareness and mobile technology: Mobile-enabled dashboards for frontline officers showing live intelligence, resource status, and crime trends.
 - Digital evidence and asset management: AI-driven search for key frames to assist investigations; Automated redaction for GDPR/CPS compliance.
 - Cyber security and resilience: advanced threat detection, endpoint protection, and incident response automation.
 - Innovation and emerging technologies: agile teams to test and deploy innovative solutions quickly.

Workforce

- 3.24. This budget allows officer numbers to be stable throughout 2026-27 and will remain at 31,258 full time equivalents (FTE). This is made possible using one-off funding provided by Home Office in 2024-25 (used equally over 2025-26 and 2026-27 to fund 300 FTE in each year).
- 3.25. The budget assumes staff numbers will be held at 11,719 FTE which incorporates the civilianisation of several roles previously undertaken by officers which are better suited to be delivered by police staff. The MPS maintains an ambition to further civilianise roles where appropriate, but to do so would either require additional funding or a commensurate reduction in officer numbers. They are currently therefore not assuming any further civilianisation in 2026-27.
- 3.26. By automating administrative tasks, the MPS expect their proposed £30 million technology investment could create opportunities to reduce staff roles over the next 3 years, and any cashable savings from this could be used to off-set the cost of investment. The detailed business case planning for the proposed technological invest will determine any impact on staff numbers across the 3-year period and/or beyond.
- 3.27. The MPS plan to hold PCSO numbers at 1,347 FTE. This includes the PCSO provision for the revised TfL Special Services Agreement (SSA) which is due to be in place from February 2026. The revised SSA will see services between the two organisations clarified whilst maintaining TfL's expenditure on safety.

Capital

- 3.28. The MPS capital ambition needs to be scaled to an affordable level to a) avoid breaching MOPAC's agreed debt ceiling and b) ensure they do not place undue pressure on revenue budgets through a growing capital financing commitment and paying back the cost of borrowing. This has been achieved through a zero-based review of the capital programme ahead of the budget submission and has implications for revenue budgets in the medium term as the MPS aim to move to funding capital through revenue contributions.

4. Revenue expenditure and council tax requirement

- 4.1. Gross revenue expenditure is forecast to increase from £5,054.5 million in 2025-26 to £5,311.3 million in 2026-27, an increase of £256.9 million, details of which are in Appendix A.
- 4.2. Net expenditure is budgeted to increase from £3,894.9 million in 2025-26 to £4,070.1 million in 2026-27, an increase of £175.2 million for the reasons set out in section 5.
- 4.3. Based on the proposed net expenditure, after deducting income from retained business rates and government grants, the statutory council tax requirement for MOPAC's budget for services is £1,070.9 million.
- 4.4. The element of the council tax precept relating to MOPAC is proposed to increase by £42.5 million from that in 2025-26. This represents a 4.1 per cent increase and, in accordance with the Mayor's budget guidance, is based on an assumed 3.0 per cent

increase in the precept charge and a 1.1 per cent assumed growth in the London tax base.

4.5. New investments proposed for 2026-27 of £37.5 million have been included within the 2026-27 budget including:

- MPS NMfL £12.0 million to deliver the next phase of NMfL
- MPS transformation programme requirements of £22.7 million in 2026-27 and
- MOPAC one-off office relocation costs of £2.3 million.

4.6. As noted above, the most significant budget risk is uncertainty over future funding. This budget carries funding assumptions aligned to the Spending Review which remain unconfirmed until the Provisional Police Settlement is announced in December.

4.7. The following table sets out MOPAC's budget on an objective basis. This includes an analysis of the year-on-year movement in the proposed council tax requirement for MOPAC compared to the approved budget for 2025-26.

Objective analysis	Approved budget	Forecast Outturn (at Q2)	Budget	Change (Approved budget to budget)	Plan	Plan
MOPAC	2025-26 £m	2025-26 £m	2026-27 £m	£m	2027-28 £m	2028-29 £m
Metropolitan Police Service						
Frontline Policing	1,829.2	1,824.0	1,827.9	(1.3)	1,827.7	1,827.7
Operations & Performance	987.5	929.1	927.8	(59.6)	926.1	925.8
Specialist Operations	(4.9)	(4.9)	(6.2)	(1.3)	(5.9)	(5.0)
People & Resources	469.7	458.0	508.8	39.0	513.7	507.4
Professionalism	118.4	132.2	137.5	19.1	137.5	137.5
Digital, Data & Technology	269.1	259.8	259.7	(9.3)	252.3	252.3
Comms & Engagement	14.6	11.6	13.9	(0.7)	13.9	13.9
Strategy & Transformation	97.2	81.6	119.2	22.0	114.8	113.9
Centrally held	(175.4)	(137.7)	(53.1)	122.2	30.2	114.8
Discretionary Pension costs	48.0	46.0	46.4	(1.6)	47.3	47.3
Net MPS service expenditure	3,653.5	3,599.8	3,782.0	128.5	3,857.6	3,935.7
Mayor's Office for Policing and Crime (incl VRU)						
Reducing violence & criminal exploitation	47.5	47.0	37.8	(9.7)	35.5	35.3
Building safer, more confident communities	17.8	17.6	15.3	(2.5)	14.3	14.5
Supporting & overseeing reform of the MPS	7.4	7.3	6.5	(0.9)	6.1	6.3
Improving the criminal justice system & supporting victims	19.4	18.7	19.9	0.5	18.9	19.1
Net MOPAC service expenditure	92.0	90.7	79.5	(12.5)	74.9	75.1
Net service expenditure	3,745.5	3,690.5	3,861.4	116.0	3,932.5	4,010.8
Capital financing costs	162.6	182.9	218.6	55.9	259.8	269.3
Interest receivable	(13.3)	(18.7)	(10.3)	3.0	(10.3)	(10.3)
Net expenditure	3,894.9	3,854.8	4,069.8	174.9	4,182.1	4,269.8
Savings to be found MPS	0.0	(25.5)	(20.0)	(20.0)	(51.8)	(54.8)
Savings to be found MOPAC	0.0	0.0	0.0	0.0	(0.2)	(0.3)
Transfer to/(from) reserves	(103.0)	(83.1)	(60.2)	42.9	(20.6)	(17.0)
Financing requirement	3,791.8	3,746.2	3,989.6	197.7	4,109.4	4,197.8
Unringfenced government grants (incl HOPG)	2,632.8	2,587.2	2,785.5	152.6	2,860.6	2,901.4
Retained business rates	130.7	130.7	133.3	2.6	135.9	138.7
Council tax requirement	1,028.4	1,028.4	1,070.9	42.5	1,112.9	1,157.8

Explanation of budget changes

4.8. An analysis of the year-on-year movement in the proposed council tax requirement for MOPAC compared to the revised budget for 2025-26 is set out below.

Net change in service expenditure and income

4.9. The budget proposes a £116.0 million net increase in service expenditure from 2025-26 to 2026-27

- MPS net services expenditure increase of £128.5 million is predominately due to:

- Inflation of £163.1 million, of which £139.0 million is pay and £24.1 million of non-pay
- Reintroduction of funded contingency of £10.0 million
- Transformation project investment of £22.0 million
- Increase in NMfL 2 programme funding of £12.0 million
- Pressure resulting from a reduction in non-recurrent non-workforce efficiencies of £19.6 million (from £75.0 million to £55.4 million).
- Reclassification of the Neighbourhood Policing Grant from ringfenced government grants to specific grants of £45.6 million, this results in a reduction to net expenditure.
- Reduction in the expenditure funded from reserves of £30.5 million
- Reclassification of £21.6 million lease expenditure now being categorised as capital finance, in line with changes to accounting standards (IFRS16).
- MOPAC net services decrease of £12.5 million, this is largely due to £12.4 million reduced funding from reserves

Savings and efficiencies

4.10. The budget incorporates planned savings and efficiencies of £75.4 million in 2026-27, as set out in the table below with further details in paragraph below.

Savings and efficiencies (S&E)	2026-27 £m	2027-28 £m	2028-29 £m
S&E planned in the 2025-26 Budget	55.4	55.4	55.4
S&E no longer achievable	0.0	0.0	0.0
New S&E identified in the 2026-27 Budget			
MPS	15.0	16.1	27.1
MOPAC	4.6	5.3	5.2
VRU	0.5	0.5	0.5
New S&E identified in the 2026-27 Budget	20.0	21.8	32.8
Total	75.4	77.2	88.2

4.11. The new savings identified for 2026-27 are listed below.

- MPS - £75.0 million of savings were included as part of the 2025-26 budget, of which £55.4 million have been baselined into 2026-27 to 2028-29
- MPS - £15.0 million per annum savings from managing the balance sheet, achieved through a zero-based review of the capital programme and a review of contingencies
- MOPAC:
 - Non staffing savings of £2.7 million pa from 2026-27
 - Staffing savings £1.8 million pa from 2026-27 as part of the MOPAC Plan
- VRU efficiencies and savings of £0.5 million

4.12. In addition to the savings and efficiencies identified above, MOPAC Group's budget submission currently reflects £20 million of 'savings yet to be identified' within the MPS in 2026-27. These are expected to be identified from the running costs of MPS enabling functions (i.e. not frontline policing). These savings will be agreed with MOPAC before the Final Draft Budget is considered by the Assembly in February 2026.

- 4.13. The savings to be identified increases to £52.0 million in 2027-28 (MPS £51.8 million and MOPAC £0.2 million) and £55.1 million in 2028-29 (MPS £54.8 million and MOPAC £0.3 million).

Inflation

- 4.14. The budget includes a provision for inflation of £163.7 million.

Inflation for 2026-27	Pay £m	Non Pay £m	Total £m
MPS	139.0	24.1	163.1
MOPAC & VRU	0.6	0.0	0.6
Total	139.6	24.1	163.7

- 4.15. This includes £139.4 million relating to pay inflation, based on 3 per cent for MPS (£139.0 million) and 3 per cent for MOPAC (£0.6 million). MPS non pay inflation of £24.1 million is due to contractual inflation.

Value for Money

MOPAC:

- 4.16. The MOPAC budget process has been driven by the MOPAC (Savings) Plan which has three aims all of which are linked with ensuring value for money for Londoners:

- Reshape the operating model to be more effective.
- Identify financial savings
- To reduce workforce and become a smaller MOPAC

- 4.17. In proposing non-workforce, commissioning savings, the following factors were considered to ensure Value for Money:

- Working with City Hall to achieve the greatest impact for the Mayor's investment
- Focussing on areas that have the greatest impact on delivering the Police and Crime Plan
- Demonstrating impact
- Need to off-set pressure created by historically taking on services without corresponding funding

- 4.18. In proposing workforce savings, MOPAC Board and MOPAC's senior leadership team have met regularly to ensure the individual proposals align to the overall MOPAC Plan.

VRU:

- 4.19. The current approved budget for 2025-26 and MTP to 2027-28 is balanced across all 3 years. This updated draft budget submission is balanced across all 3 years to 2028-29 and in constructing the budget, a line-by-line review of each programme has been completed.

and then reviewed by VRU's Senior Leadership Team to ensure it aligns to VRU's 5 priority areas.

MPS:

- 4.20. MOPAC and the MPS have worked closely to agree key elements of MPS budget proposals. Along with close working between MOPAC and MPS CFOs and their respective finance teams, several joint budget workshops held between the DMPC, Deputy Commissioner and MPS-MOPAC officials, also attended by the Mayor's Chief of Staff. These provided the opportunity to discuss the MOPAC Group's strategic approach to delivering value for money and producing a balanced budget.
- 4.21. In developing the draft budget, MPS have updated key assumptions relating to income, pay and non-pay inflation, recurrency of efficiencies and demand drivers. Key changes between 2025-26 and 2026-27 relate to the full year impact of a smaller workforce, and decisions taken in year on key projects and programmes. The efficiency programme continues to support the achievement of value for money.

Financial resilience

- 4.22. The ever-challenging financial landscape within which MOPAC and the MPS operate has increased the importance of having policies and processes that support financial resilience, and the Group's ability to respond to changes in delivery and demand without placing the organisation at risk. Set out below are the policies and processes in place to support these.

Governance

- 4.23. MOPAC has a scheme of delegation and consent, supported by contract regulations and financial regulations that set out the decision-making framework and the principles for delivering value for money. All Group decisions in excess of £0.5 million are subject to DMPC approval, with MOPAC decisions being scrutinised by MOPAC Board in advance of being considered by the DMPC.
- 4.24. MPS investment decisions are scrutinised by the Investment and Portfolio Group, ahead of Exco (where relevant) and DMPC approval.

Medium-term financial plan (MTP)

- 4.25. MOPAC and the MPS currently have an approved MTP for the period 2025-26 – 2027-28 which aligns with delivery of the Police and Crime Plan. The MTPs are reviewed annually as part of the budget setting process. The process is iterative with draft budget proposals based on a set of scenarios discussed at respective Boards before being discussed with the DMPC. The updated MTPs for the period 2026-27 – 2028-29 forms the basis of the draft budget submission.

Strategies and plans

- 4.26. The Mayor's Police and Crime Plan 2025 to 2029 sets the direction for policing and crime reduction across London. MOPAC supports the Mayor in delivering this plan through strategic oversight, commissioning, and coordination of services that reduce harm and improve public confidence in policing. Resources and funding are aligned to the Plan.
- 4.27. MPS have developed a performance framework to enable effective performance monitoring at all levels of the organisation. A Strategic Performance Group has been established to monitor and support the delivery of agreed performance measures.

Performance monitoring and reporting

- 4.28. MOPAC publishes quarterly reports setting out performance against the Police and Crime Plan priorities and outcomes and the associated expenditure, which is subject to PCC scrutiny. Regular reports are also provided to the GLA Budget and Performance Committee and the London Policing Board's Finance & Performance sub-committee.

Ownership and accountability

- 4.29. There is a defined internal governance framework and management structure that sets out clear lines of accountability within MOPAC and the MPS, these are set out in detail in the MOPAC Draft Annual Governance Statement and CPM Annual Governance Statement Unaudited 2024-25.

Risk

- 4.30. Clear lines of accountability for managing corporate risk are assigned to members of MOPAC Board and SLT. This includes responsibility for identification and management of key risks and the implementation of effective internal control. This is supported by a Governance and Risk Working Group attended by members of MOPAC Board and SLT. Risk management is also embedded in the portfolio with project leads taking responsibility. MOPAC's corporate risks are reported quarterly to the Joint Audit Committee.
- 4.31. Corporate risks at the MPS are managed by ExCo and discussed formally on a quarterly basis. This includes ensuring risk owners can access support across the organisation and determine organisational risk appetite and tolerance levels.

5. Robustness of the proposed budget estimate (S25 Statement)

- 5.1. The Local Government Act 2003 (Section 25) requires that the Chief Financial Officer reports on the following matters to members when agreeing its annual budget:
- the robustness of the estimates made for the purposes of the budget calculations, and
 - the adequacy of the proposed financial reserves.

Introduction

- 5.2. Nationally funding for policing is challenging and has not kept pace with increased demand for policing and with inflation. Whilst the 2025-26 funding settlement provided additional core Home Office funding for the MPS of £231.2m, and the subsequent Spending Review includes a 1.7 per cent increase in core police spending power, this additional funding comes after over a decade of austerity, with funding for the MPS only increasing by 2 per cent for the period 2010 to 2024. In real-terms, this represented a funding reduction of £1.1 billion.
- 5.3. This is further exacerbated by the continued underfunding in the National and International City Grant (NICC), whilst the Home Office uplifted the grant by the £63.4 million in 2025-26, based on the 2015 Home Office review, in real terms it is that NICC this is at least £138 million lower than the true cost of policing a major city like London, excluding support costs.

Robustness of estimate

- 5.4. The budget has been informed by the June 2025 Spending Review which has increased the level of income assumptions and has contributed to closing the previously reported

budget gaps. However, until the Provisional Police Settlement is announced in December 2025, this represents a risk to the budget.

- 5.5. The 2026-27 budget assumes £4,059.5 million of total staff costs and includes pay inflation of £139.6 million (based on a 3 per cent pa pay award). These assumptions in the current context are assessed as reasonable however given the size of the pay budgets a small change in the actual pay award if not funded would have a material impact on the budget gap.
- 5.6. Contractual inflation of £24.1 million has been included within the 2026-27 budget, no general inflation has been applied therefore the budget lines with no contractual inflation are required to manage within existing resources. The total budget for premises, supplies and services, transport costs and third-party payments in 2026-27 is £1,032.8 million.
- 5.7. Total savings of £75.4 million are included within the 2026-27 budget, increasing to £88.2 million in 2028-29, of which £55.4 million are savings from 2025-26 which have been baselined into the budget. Progress against budgeted savings are included within the quarterly Performance reports to confirm delivery and highlight risks. The 2026-27 budget includes £20.0 million of MPS savings to be identified, these savings are expected to be delivered from running costs within MPS enabling functions.
- 5.8. The capital programme budget has been updated following a zero-based review and therefore presents the latest assumptions.
- 5.9. The level of borrowing assumed for the capital programme has reduced compared to the final 2025-26 budget, where it was assumed capital programme borrowing over a 5-year period would be £1,268 million, this has reduced over the latest 5-year period to be £1,058.1 million thereby reducing the net debt servicing costs and exposure to interest rate risks.

Adequacy of reserves

- 5.10. The 2025-26 budget S25 statement referenced the intention to transfer £10.0 million of the MPS forecast 2024-25 underspend to the general reserve, as part of a medium-term strategy to continue to steadily bolster the general reserve. This transfer of £10.0 million to the general reserve took place as part of the 2024-25 outturn process and increased the general balance from £66.6 million in 2024-25 to a closing balance of £76.6 million. The MTP forecast is for the general reserve to be maintained at £76.6 million to the end of 2028-29 and this is 1.9 per cent of net expenditure for 2026-27. This is lower than the reserves strategy which recommends a range of 2 to 3 per cent.
- 5.11. MPS and MOPAC hold a number of specific earmarked reserves, and the purpose of these reserves is detailed within section 8. Over the period of the MTP earmarked reserves are forecast to reduce from an opening balance of £232.3 million in 2025-26 to £51.1 million in 2028-29.

Conclusion

- 5.12. The key risks and issues can be summarised under the 4 key themes below:

- **Future Funding assumptions** – the budget is based upon a number of funding assumptions, informed by the June 2025 Spending Review. However, the MOPAC allocation of the police grant, NICC and other specific grants will not be known until December at the earliest.

- **Savings to be identified** – the budget gap from previously published figures has reduced, in part by increased funding assumptions, this draft budget includes £20.0 million of savings to be identified in 2026-27 increasing to £52.0 million in 2027-28 and £55.1 million in 2028-29
- **Reserve levels:** – the current Reserves Strategy recommends maintaining a General Reserve of 2 to 3 per cent of net revenue expenditure and would be the recommended level for this MTP. This would require a general reserve of £81.3 million to £122.0 million by the end of 2028-29. The current MTP doesn't provide for any increases.
- **Increasing demand for MPS services** – this is driven by a combination of: 1) increased population 2) complexity of crime and 3) a sustained and acute period of public order demand. These increases in demand add further pressure to delivering within the available resources, capacity to respond to crisis moments and maintaining neighbourhood policing.

5.13. It is my opinion that the draft budget is based on robust assumptions. Whilst the level of general reserves increased in 2024-25 to £76.6 million this remains below the recommended minimum level of 2-3 per cent by the end of 2028-29. As CFO it is my recommendation that a proportion of any in year underspends should be transferred to the general reserve to support the long-term strategy to bolster the general reserves to at least £81.3 million by 2028-29.

6. Reserves

Change in use of reserves

- 6.1. The latest forecast for 2025-26 and MTP to 2028-29 proposes a net reduction in total earmarked reserves of £180.8 million from a closing 2024-25 balance of £232.3 million to a closing 2028-29 balance of £51.5 million. The 2025-26 approved budget had a closing earmarked balance in 2027-28 of £47.4 million. The increased balance on reserves of £4.1 million for the last year of the medium-term plan is due to £0.8 million increase in MPS reserves and £3.3 million increase in MOPAC earmarked reserves. The increase in MOPAC is driven by actual and forecast underspends in 2024-25 and 2025-2026.
- 6.2. Earmarked reserves are maintained for specific purposes that are consistent with MOPAC's key priorities. The use and level of earmarked reserves is reviewed at least annually.
- 6.3. The Earmarked Reserves held by MOPAC in the Medium-Term Financial Plan consist of:
- **Supporting Local Change** – supports delivery of the various modernisation programmes in particular estates transformation.
 - **Property Costs** – Application of a historic reserve created to address an unbudgeted shortfall in service charge recovery to support Property and Services Directorate Medium-Term Financial Plan financial position.
 - **Operational Costs** – This reserve exists to fund a number of specific operational requirements where it has been agreed funding would be carried forward to enable the profiling of these costs in future years.

- **Proceeds of Crime Act 2002 (POCA)** – reserve used to drive up performance on asset recovery work, crime reduction projects and to fund local crime fighting priorities for the benefit of the community.
- **Specifically funded for third parties**– holds monies for Counter Terrorism Capital Expenditure, future Airwave replacement requirements at Heathrow and London City Airports. The spend profile reflects the commitments for these organisations.
- **Business Group Initiatives** – supports the delivery of one-off projects within business groups.
- **Managing the Budget** – smoothing reserve to manage budget fluctuations during the year and to smooth the short-term impact of funding changes and cost pressure.
- **Workforce Pressures** – provides some one-off financial resilience when needed to manage workforce/ pay pressure, to allow the Met to maintain as high a workforce level as possible.
- **MOPAC Earmarked** – MOPAC holds reserves for its own internal budget. MOPAC aims to draw down a managed amount from these reserves each year to fund a variety of commissioned services reflecting the priorities set out in the Mayor’s Police and Crime Plan.

6.4. MOPAC’s general reserve is to provide for any unexpected expenditure that cannot be managed within existing budgets. Such expenditure would be one-off and resulting from an extraordinary event or unforeseen financial liabilities. The General Reserve balance is forecast to remain stable from the end of 2024-25 to the end of the 2028-29 at £76.6 million.

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

Movements and total reserves at end of financial year	Outturn	Transfers to/from	Forecast (at Q2)	Transfers to/from	Budget	Transfers to/from	Plan	Transfers to/from	Plan
	2024-25	in year	2025-26	in year	2026-27	in year	2027-28	in year	2028-29
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Supporting Local Change	10.9	(6.7)	4.3	0.0	4.3	0.0	4.3	(2.9)	1.3
Managing the Budget	14.3	(14.2)	0.1	0.0	0.1	0.0	0.1	0.0	0.1
Business Group Initiatives	0.9	(0.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operational Costs	19.4	(16.5)	2.8	(1.4)	1.4	(0.2)	1.2	(1.2)	0.0
Historical Public Inquires	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Workforce Pressures	64.5	(4.5)	60.0	(25.0)	35.0	0.0	35.0	0.0	35.0
Property Costs	43.6	(18.3)	25.3	(7.8)	17.5	(7.8)	9.6	(7.8)	1.8
POCA	22.8	(3.7)	19.0	(4.8)	14.3	(4.8)	9.5	(4.8)	4.8
Funded for Third Parties	21.7	0.0	21.7	(14.0)	7.7	(7.4)	0.3	(0.0)	0.3
MPS earmarked reserves	198.1	(64.9)	133.2	(53.0)	80.2	(20.2)	60.0	(16.8)	43.2
MOPAC Reserves	34.2	(18.2)	16.0	(7.2)	8.9	(0.4)	8.4	(0.2)	8.3
Total earmarked reserves	232.3	(83.1)	149.2	(60.2)	89.1	(20.6)	68.4	(16.9)	51.5
General reserves	76.6	0.0	76.6	(0.0)	76.6	0.0	76.6	0.0	76.6
Total reserves	308.9	(83.1)	225.9	(60.2)	165.7	(20.6)	145.1	(16.9)	128.1

6.6. Over the period 2025-26 to 2028-29 £180.8 million of earmarked reserves are forecast to be utilised, this is largely due to

- **Property costs** – £41.8 million drawdown from an opening balance of £43.6 million to a closing balance of £1.8 million utilising a historic reserve created to address an unbudgeted shortfall in service charge recovery to support Property and Services Directorate Medium-Term Financial Plan financial position.
- **Workforce pressures** – £29.5 million drawdown from an opening balance of £64.5 million to a closing balance of £35.0 million. This includes a £50 million drawdown from reserves in 2025-26 and 2026-27 to support police officer and staff pay budgets (£40 million and £10 million respectively). Additionally, £20.5 million was identified during 2025-26 and added back to this reserve, for the final balance of £35 million, to be used to tackle workforce productivity and leadership intensification.
- **MOPAC** – £26.0 million drawdown from an opening balance of £32.4 million to a closing balance of £8.3 million this is due to:
 - £14.6 million usage of carry forwards (MOPAC £9.3 million and VRU £5.2 million) where funding has been aligned programme expenditure.
 - £3.5 million usage of the VRU budget resilience reserve and includes drawdowns of £1.3 million for AP/PRU mentoring, £0.6 million Parent Carer Champion Network, £0.4 million Inclusive education, £0.5 million MyEnds Partnership Fund, LCPF £0.6 million. Offset by an assumed £0.5 million contribution to reserves from the Q2 2025-26 forecast underspend.

- £7.9 million drawdown of MOPAC budget resilience reserve which is largely due to £5.6 million is assumed to support the MOPAC 2025-26 budget (and assumes the £1.1 million forecast underspend materialises) and £2.1 million of one-off costs in 2026-27.
- **Funds for third parties** - £21.4 million drawdown from an opening balance of £21.7 million to a closing balance of £0.3 million. This is due to the use of Counter Terrorism (CT) Grant funding received in previous financial years to support Metropolitan Police Service CT capital expenditure. The funding is being applied during 2026-27 and 2027-28 to meet the demands of large-scale capital projects that are currently underway or about to commence across the Counter Terrorism Policing (CTP) network.
- **Operational costs** - £19.4 million drawdown from an opening balance of £19.4 million to a closing balance of zero - this is due to a number of specific operational requirements including £8.4 million in Digital, Data and Technology Spend, £3.0 million in Operations and Performance, £2.4 million People & Resources spend, £1.3 million in Frontline Policing and £1.1 million in Specialist Operations. Additionally, following reserves review in 2025-26 £3.0 million of surplus operational reserve balances were transferred to the Workforce Pressures reserve
- **Other movements** - £42.8 million, includes drawdowns from Managing the budget of POCA £18.0 million, £14.2 million, Supporting Local Change £9.6 million and Business Group Initiatives £0.9 million.

7. Environmental impact and Climate Budget

Responding to the London Climate Budget - Annual Summary

- 7.1. 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.
- 7.2. 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'
- 7.3. Between April 2021 and March 2025, the MPS has spent £30 million on discrete decarbonisation projects and energy efficiency measures which have together reduced carbon emissions by over 1,800 tonnes CO₂e per annum across 21 buildings. The MPS has c. £15 million of projects underway to decarbonise 6 buildings which will be completed by March 2026, further reducing annual carbon emissions by 880 tonnes CO₂e. Together these initiatives will reduce our gas related carbon emissions by c.11 per cent.
- 7.4. The GLA funded work to develop an innovative design for decarbonising the MPS' largest building – the 45,000 sq. m 30 storey Empress State Building; has been completed taking the design to Stage 4; 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. The next stage requires further funding, the MPS is exploring different routes.

‘roll-out of an electric car charging network’

- 7.5. 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.
- 7.6. 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). The MPS has established a specialist team to work with the GLA Environment Team and other blue light organisations to develop a design based on a predominantly public network with some private back-up.
- 7.7. 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:
- 7.8. Type and capacity (charge, load, speed) of electric vehicles or other form of transport (car, bike, moped etc).
- 7.9. Availability and reliability of chargers (capacity and queues) – maximising use of public chargers to minimise capital requirements for a private network.
- 7.10. The need to change operational processes to reflect (a) and (b) whilst ensuring operational performance targets are not compromised.
- 7.11. 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).
- 7.12. 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.
- 7.13. 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 £201m (currently unfunded) could be required to provide the necessary charging infrastructure to support the fleet.

‘Power Purchasing’

The MPS continues to be 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.

7.14. Future Level 3 reporting (including Scope 3)

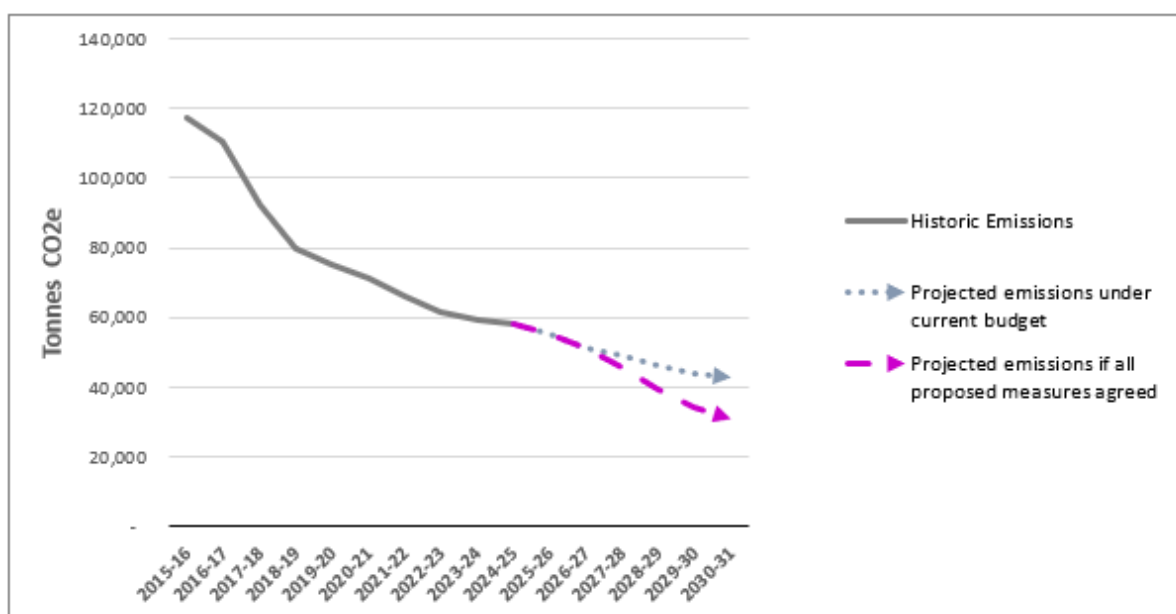
7.15. The GLA has postponed the scope 3 reporting requirements to 2027-28. The MPS will need support on the work to baseline the MPS scope 3 emissions.

Greenhouse gas Emissions

7.16. Like last year, the current forecast, according to the GLA guidance, excludes business air travel, but does include scope 1 Fluorinated Gas emissions. Note that the MPS do not offset emissions from business air travel.

7.17. 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. Noting that this reduction includes emissions reductions coming from national grid electricity decarbonisation forecasts, which the government have not updated since late 2023.

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



7.19. Assuming implementation of all decarbonisation measures currently planned (both budgeted and unbudgeted requirements), the MPS’s estimated residual emissions in 2030 are 30,906tCO₂e. This estimated carbon emissions represents an 84.2 per cent reduction to 1990 baseline emissions at 2030 (the MOPAC target date for decarbonisation of heat in buildings), and 11,079tCO₂e, or a 94.3 per cent reduction to 1990 baseline emissions at 2035 (the accelerated target date for the replacement of fleet).

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

- 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 budget year (2025-26) include:
- Completing the estate wide LED replacement programme.
- Continued the delivery of Gilmour Section House (PSDS 3a).
- Continued the delivery of six (PSDS 3c) projects, with forecast costs of c.£15m.
- Completed the design for the decarbonisation of Empress State Building, supported by £1m grant from the GLA.
- Submitted application for Zero Carbon Accelerator (ZCA) support across 7 projects including updating the HDP and data model from 2021 Impact Assessment.
- Continued consideration of climate adaptation measures in all BAU projects.
- Engagement with 5 different district heat networks.
- 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.
- Measures expected to be completed in the next financial year include:
- Ongoing Building Management System Optimisation Interventions.
- Continuing the installation of vehicle telematics.
- Continuation of EV charging pilot roll outs to understand required operational changes.
- Secure funding to continue decarbonisation of the estate.
- Implementation of Edmonton Heat Network (Energetik).

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

7.20. 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 although the costs in Table B have been uplifted by 20 per cent for inflation and to reflect the learnings as projects have progressed, this is based on the Impact Assessment and data model from 2021. The approach to the estate has changed, the number of retained buildings has increased, and cost of decarbonisation has increased significantly. The gap is broadly split into four components:

Estates

- 7.21. The MPS building life cycle replacement budget continues to assume that full decarbonisation will be achieved by the Government target of 2050 and MPS continue to aspire to achieving the Mayor's more ambitious target of 2030 subject to affordability constraints. By 2030, the budget assumes that £66m 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.
- 7.22. Assuming a hypothetical situation, i.e. no budgetary constraints and maximised capacity, the 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.
- 7.23. 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 +£20m remains which is currently unfunded.
- 7.24. The estate strategy now reflects the 'New Met for London' programme which requires retention of existing old buildings with little to no investment made due to being disposals, as well as the acquisition of new, buildings which will impact carbon emissions and the cost of decarbonisation. The work required to update the model and HDP to reflect these changes is unfunded.

Fleet

- 7.25. 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

- 7.26. 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

- 7.27. 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.
- 7.28. MPS need to complete scenario testing from a fuel shortage for ICE vehicles (more likely and widespread) to that of the impact of local and widespread power failures for an EV Fleet.
- 7.29. It should be noted that the likelihood of a widespread failure versus a fuel shortage is significantly lower, and that if the MPS had a widespread power failure, the impacts would be much more far reaching than that of a petrol/diesel shortage.
- 7.30. 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)

- 7.31. 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 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 needs to be developed as part of the Scope 3 emissions work.

Climate Change Adaptation Measures

- 7.32. Although the MPS considers climate adaptation measures during the design stages of all BAU projects, the MPS do not have a consolidated plan. Works to develop a Climate Adaptation Plan (CAP) are unfunded, however the MPS is exploring support from the GLA (potential for £50k available fund to enable MPS to instruct specialist consultants).

Risks and Issues

- 7.33. 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.

7.34. Key Risks are:

- Affordability of funding set against the operational cost of delivering Police and Crime Plan priorities. Funding options are being explored.
- The national decarbonisation scheme (PSDS) has been terminated.
- Decarbonisation of the buildings has cost more capital than estimated due to the complexity of electrified heating systems in fully operational police buildings where the systems and boilers are far beyond end of life, therefore energy

efficiency measures have had to be descope this has the impact of increasing revenue costs in the long term due to the higher consumption of electricity.

- The New Met for London programme requires additional buildings to support the new strategy which has an impact on carbon emissions and a potential increase in the costs of decarbonisation.
- 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 and cost of implementation has outpaced budget availability.
- Technology for BEVs does not meet police specifications (load carrying, speed and battery)
- Continued uncertainty around manufacturers' transition to electric 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: Funded Climate Measures for Estate & Fleet only

Climate Action Area	Climate Action	Description	Total Exp. 26-27 £'000	Total Exp. 27-28 £'000	Total Exp. 28-29 £'000	Capital/ Revenue/ Mixed	Funding source	Year funding starts	Year funding ends	Ave annual CO2e savings to 2030, tonnes	Lifetime cumulative CO2e savings, tonnes	Year emissions savings start	Co-benefits	Total cash savings 26-27 to 28-29 £'000	Comments
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.	4,100	0	0	Borrowing and receipts	Capital	20-21	26-27	Enabler	Enabler	Enabler	Support the roll out of the planned hybridization and electrification of the Met general purpose fleet.	0	This programme with drill down into Fleet EV charging requirements, and how this integrates into operational requirements, across MPS locations. This is to ensure EV chargers installed meet operational requirement and gain insights into vehicle / journey optimisation, charging locations, resilience and onsite / offsite electricity prices and future flexible pricing benefits. This project is therefore developing the strategy and detailed requirements prior to moving forward with significant implementation of strategic charging infrastructure.
Buildings	Forward Works inc. LED replacement programme	The capital costs and benefits captures all 'Forward Works' asset improvements which significantly affect decarbonisation (e.g. insulation, lighting and window upgrades)	12,500	8,000	8,000	Borrowing and receipts	Capital	21-22	34-35	419	22,276	27-28	Improvement to Building Fabric and renewal of assets.	0	The capital costs and benefits captures all 'Forward Works' asset improvements which have a significant effect on carbon reduction (e.g. insulation, lighting and window upgrades)
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.	0	0	0	Borrowing and receipts	Capital	20-21	25-26	Enabler	Enabler	Enabler	This technology will support the future strategic deployment and charging strategies of the Met Fleet.	0	As at Oct 2025, 2200 vehicles have telematics devices installed. BJP and contract renewal in process which will determine how quickly devices are deployed to the remainder of the fleet and the spend profile.

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

Note – there are no proposed cash savings 26-27 to 30-31 from the items below

Climate Action Area	Climate Action	Description	Proj Readiness	Proposed Exp. 26-27 £'000	Proposed Exp. 27-28 £'000	Proposed Exp. 28-29 £'000	Proposed Exp. 2029-30 to 2030-2031 (incl.) £'000	Total Proposed NZ Exp. £'000	Funding Source	Capital/Revenue/Mixed	Year funding starts	Year funding ends	Average annual CO2e savings to 2030, tonnes	Lifetime cumulative CO2e savings, tonnes or Enabler Measure	Year emissions savings start	Co-benefits	Comments and Uncertainties
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.	3y+	0	50	0	0	50	unidentified - revenue	Revenue	26-27	26-27	Enabler	Enabler	Enabler	Some improvement in price stability (although negative correlation with CFD costs at higher PPA levels).	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. MPS await the development of the GLA PPA business case. In recent correspondence, MPS 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)	This programme covers all NZC Impact Assessment heat decarbonisation requirements, such as insulation, solar PV, Electrified heating systems, energy efficiency measures, electrified assets, as appropriate for each site.	3y+	0	0	0	0	183,467	unidentified - grant or debt	Capital	26-27	33-34	3,615	151,233	27-28	Improvement to Building Fabric and renewal of assets.	NOTE that the £169m identified for the summation of this is stated in 2021/22 terms, being calculated from the Impact Assessment (based on in 2021/22) benchmark costs. NOTE that since that time the Estate buildings / strategy has changed, which is not reflected herein. The baseline and modelling has not been updated to reflect these changes or updated position of the MPS since completing PSDS projects. NOTE that the MPS has submitted a project application to the Mayor's Zero Carbon Accelerator (ZCA) to support the MPS with specialist resource to review and update the Heat Decarbonisation Plan and associated data modelling.
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.	3y+	0	0	3,922	13,872	17,794	unidentified - grant or debt	Capital	28-29	33-34	670	23,192	27-28		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.

Climate Action Area	Climate Action	Description	Proj Readiness	Proposed Exp. 26-27 £'000	Proposed Exp. 27-28 £'000	Proposed Exp. 28-29 £'000	Proposed Exp. 2029-30 to 2030-2031 (incl.) £'000	Total Proposed NZ Exp. £'000	Funding Source	Capital/Revenue/Mixed	Year funding starts	Year funding ends	Average annual CO2e savings to 2030, tonnes	Lifetime cumulative CO2e savings, tonnes or Enabler Measure	Year emissions savings start	Co-benefits	Comments and Uncertainties
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.	3y+	0	10,000	20,000	70,000	100,000	unidentified - grant or debt	Capital	27-28	31-32	2,427	45,695	27-28		£167.5m is the capital requirement for EV charging infrastructure requirements on MPS sites, is stated in 2021/22 baseline costs. This will be subject to review when the scale of and accessibility to public charging infrastructure is clearer. NOTE these figures are based upon the MPS Impact Assessment 2021/22 the MPS is seeking support from the ZCA to update the baseline and data modelling.
Resilience	Resilience Requirements - Fleet and Estate	Design a resilience solution for the estate in parallel upgrading to EVs	3y+	0	0	0	0	31,894	unidentified - grant or debt	Capital	26-27	33-34	Enabler	Enabler	Enabler		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.
Buildings	Empress State Building	Development for the future district heat network and heat decarbonisation opportunity alongside the Earls Court Development Company (ECDC). Potential emissions savings associated with the existing gas usage are 29,470tCO2eL.T.		10,000	21,000	0	0	31,000	unidentified - grant or debt	Capital	25-26	27-28	1,034	16,604	2027-28		The GLA had earlier funded 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. The decarbonisation would however progress as a standalone independent project first, which could later be integrated to take advantage of local heat network. Stated carbon savings are associated with removing 25 years worth of "2020" gas consumption, i.e. 29,470 tCO2e(lifetime). Due to uncertainties of the future design, and electricity carbon factors, this does not take into account any emissions associated with operating the alternative electrical heating system.
Estate	Climate Change Adaptation Strategy Development	The Met's strategic Climate Change Adaptation response is to be developed however this is unfunded and has been added to Table B. Current BAU activities include adaptation measures (such as flood risk assessments and response to overheating) as part of the design considerations in any projects delivered.		0	0	0	0	0	Not known	Revenue	26-27	30-31	Enabler	Enabler	Enabler		The MPS recognises that climate adaptation as a key operational risk, and needs support from specialist consultants 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. Whilst many MPS construction activities include Climate Adaptation measures, the (unfunded) strategy and actionable approaches to this will increase significantly in future years.

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

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 detail.

8. Equalities implications

- 8.1. The Mayor's Police and Crime Plan 2025-2029 has informed the budget and medium-term plan and in setting the new plan an Integrated Impact Assessment (IIA) was completed.
- 8.2. This IIA assesses the Plan's impact on the following objectives:
- 8.3. Crime, Safety and Security – to contribute to safety and security and the perceptions of safety;
- 8.4. Equality and Inclusion –to make London a fair and inclusive city where every person is able to participate, reducing inequality and disadvantage and addressing the diverse needs of the population;
- 8.5. Health and Health Inequalities – to improve the mental and physical health and wellbeing of Londoners and to reduce health inequalities across the city and between communities; which will include an equality impact assessment against each protected characteristic.
- 8.6. Social Integration – To ensure London has socially integrated communities which are strong, resilient and free of prejudices; which will include an impact assessment on socio-economic factors.
- 8.7. Economic, Competitiveness and Employment – To maintain and strengthen London's position as a leading connected knowledge based global city and to support a strong, diverse and resilient economy, providing opportunities for all.
- 8.8. After review, a decision was made that the policing and crime policies proposed in the Plan do not hold significant environmental impact. Therefore, a separate Strategic Environmental Assessment has not been undertaken at this time.
- 8.9. Link to the Integrated Impact Assessment for the Police and Crime Plan 2025-2029: [Police and Crime Plan 2025-2029 - Integrated Impact Assessment](#)

9. Capital Strategy

- 9.1. The MPS need to invest more capital to proceed to innovate, automate and digitise as that drives productivity and performance, and a better service to Londoners. However, as the opportunity to generate capital receipts has significantly so has the need to borrow to fund capital investment, this comes at a cost creating an unsustainable pressure on revenue budgets. This ultimately is putting pressure on our day-to-day budgets, and the position will worsen without corrective action.
- 9.2. However, there is a need to complete the MPS' ongoing replacement of the essential command and control system, rostering and ERP systems and invest to drive both cash and productivity savings through technology as well as replace operationally essential legacy systems. At the same time the MPS need to keep buildings open and safe, maintain the fleet and core IT systems and maintain core operational capability.
- 9.3. In the absence of a capital funding stream, the only means of financing capital investment is through capital receipts, revenue contribution or external borrowing. Whilst the use of revenue is kept to a minimum in 2026-27 the MPS intend to move to funding capital through revenue contributions in the medium term.
- 9.4. The existing capital programme, financed through borrowing, could see spending over 6 per cent of the revenue budget on capital financing costs within the next 5 years and total external debt of over £1.5bn. Whilst this is affordable in the short term, it is not sustainable in the medium term and therefore the MPS are proposing internal rules in addition to the prudential code.
- 9.5. A capital Zero Based Review has been undertaken, adopting the golden rules to ensure management of the pressures of today and ensure that the legacy for London, future Mayors and Commissioners is sustainable. Consequently, there is a need to re-balance capital financing towards revenue contributions as reflected in the MTP from 2027-28 and means that significant further capital spending is only possible if it releases cash.
- 9.6. With this approach MPS can achieve a capital programme that is meeting the rules by the end of the period. Further work is required on the longer-term programme. The recommended approach is forecast to meet both rules over five years and an improved debt position over the published programme.
- 9.7. MOPAC's detailed five-year capital expenditure and funding of £1,410.8 million over 2025-30 is set out in the table:

Draft capital plan	Forecast Outturn (at Q2)	Budget	Plan	Plan	Plan	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	2025-30
	£m	£m	£m	£m	£m	£m
Estates	121.1	112.4	66	66	60	425.5
Fleet	33	27	32.7	22.3	56.3	171.3
Core IT systems (DDAT)	69.7	70	67.9	73.5	74.5	355.6
CTPHQ	21	37.3	30.4	16.2	17.2	122.1
Operations and Performance	9.5	13.9	9.7	12.4	10	55.5
Professionalism	0.4	0	0	0	0	0.4
Transformation	84.4	109.8	50.6	2.5	1.8	249.1
Technology Investment Portfolio	0.0	30.0	0.0	0.0	0.0	30.0
MOPAC - Office Move	0.0	1.2	0.0	0.0	0.0	1.2
Total expenditure	339.2	401.6	257.3	192.9	219.8	1,410.8
Capital receipts	17.1	10.6	40.2	15.9	10	93.8
Capital grants and third-party contributions	36.3	49.9	42.1	27.1	28.9	184.3
Borrowing	285.8	336.6	151.6	126.5	157.6	1,058.1
Revenue Contributions	0.0	4.5	23.3	23.3	23.3	74.4
Total funding	339.2	401.6	257.3	192.9	219.8	1,410.8

9.8. The revised capital programme proposes capital investment up to £30 million on innovative technology to realise cashable efficiencies in the medium term. However, this proposal may be amended if the final settlement for 2026-27 is worse than the estimates in this budget proposal. Also, whilst the MPS have provided high level information on the type of innovative technology investment they plan to undertake, further work is required to demonstrate that these would realise cashable efficiencies (to offset the cost of this investment), and to confirm whether the investment is of a revenue or capital nature.

9.9. It allows for investment in the MBS and Command and Control Programmes subject to the relevant governance steps. It allows for the funding profile as set out in the Draft Estates Strategy to keep buildings open and safe. It allows for investment in body scanners to offer enhanced risk mitigation to staff and detainees in custody. This is expected to reduce the number of strip searches conducted and also minimise the total time the custody process takes.

9.10. The MPS cannot however afford to bring all their buildings up to a good standard which would cost a further £1.6bn, to invest in EV infrastructure where MPS need external funding or to go as far as MPS would want in investing in important reforms such as criminal exhibits.

9.11. Further work is being undertaken to stress test the programme for delivery profile, inflation, interest rates and other risks and further refine costs and profiles. At this stage the programme represents strategic intent and not agreed funding, the MPS continue to engage with MOPAC.

9.12. The gap between years six to twenty of the Capital Investment Plan and years six to twenty of the Capital Funding Plan is likely to result in additional borrowing.

9.13. MOPAC's CFO has confirmed that the provisional capital plan in this budget submission is affordable based on discussions with the MPS CFO, and advice from MOPAC's treasury management advisors. The final capital plan is MOPAC's final budget will be assessed again for affordability.

9.14. MOPAC's Final Draft Capital plan, and authorised and operating borrowing limits, are set out at Appendix A.

Changes since the 2025-26 Mayor's Capital Spending Plan

9.15. The table below details the changes since the approved budget in the capital programme

	2025-26 Estimate £m	2026-27 Estimate £m	2027-28 Estimate £m	2028-29 Estimate £m	2029-30 Estimate £m	TOTAL £m
Current Programme	338.4	362.7	290	197.3	230.2	1,418.6
Reprofile of the current programme						
Property Services Department	-13.9	-52.9	-58.5	9	19.4	-96.9
Operations and Performance Transformation	1.5	0.4	-0.9	5.1	0.4	6.5
Command & Control	17.7	42.9	5	-2.8	0.1	62.8
MBS	-0.1	11.4	4	0.2	0	15.6
Transformation other	-1.2	-18	-3.9	-15.4	-20	-58.4
CTPHQ Changes	0.4	18.2	11.8	-5.2	-4.4	20.9
Revised Capital Programme	342.8	364.8	247.5	188.2	225.7	1,369.1
New Pressures and Choices						
Property Services - New Pressure & Choices						
DWO Programme - wards > 20 mins walk time	0.0	3.0	6.0	6.0	0.0	15.0
Operations & Performance - New Pressures & Choices						
Body Scanners	0.8	1.8	1.4	1.4	0.0	5.4
Transformation - New Pressures & Choices						
Investment in Technology	0.0	30.0	0.0	0.0	0.0	30.0
Fleet Reduction	-4.49	0.83	2.32	-2.77	-5.94	-10.1
MOPAC						
Office move	0.0	1.2	0.0	0.0	0.0	1.2
Total New Pressures & Choices	-3.7	36.8	9.8	4.7	-5.9	41.6
Total ZBR	339.2	401.6	257.3	192.9	219.8	1,410.8

Note:

- Property Service Department reduction shown below is reprofiling to future years and not a reduction to the capital programme.
- Transformation other is reprioritising long term investment to current project requirements and is not a reduction.
- Reduction of fleet is maximising the fleet and linked to renewal programme rather than a reduction in the programme.

Appendix A

Table 1: MOPAC (including MPS) - Subjective analysis

Subjective analysis	Approved budget	Forecast Outturn		Change		
MOPAC	2025-26	(at Q2) 2025-26	Budget 2026-27	(Approved budget to budget)	Plan 2027-28	Plan 2028-29
	£m	£m	£m	£m	£m	£m
<i>Police officer pay</i>	2,700.5	2,704.5	2,766.6	66.1	2,805.0	2,852.5
<i>Police staff pay</i>	853.1	897.8	910.3	57.2	924.2	943.7
<i>PCSO pay</i>	85.3	82.7	94.7	9.4	96.7	97.8
<i>Police officer overtime</i>	174.7	184.2	174.9	0.2	177.0	179.7
<i>Police staff overtime</i>	28.9	40.5	30.3	1.3	30.3	30.3
<i>PCSO overtime</i>	0.2	0.5	0.2	0.0	0.2	0.2
<i>Other Employee-related expenditure</i>	34.8	37.4	36.2	1.4	36.1	36.1
<i>Supplementary pension costs</i>	48.0	46.0	46.4	(1.6)	47.3	47.3
Staff costs total	3,925.6	3,993.7	4,059.6	134.0	4,116.7	4,187.7
Premises costs	201.2	182.5	200.2	(1.0)	205.0	198.8
Transport costs	89.5	75.8	69.0	(20.6)	69.0	69.0
Supplies and services	570.7	629.6	670.4	99.7	679.6	693.2
Third party payments	104.8	103.9	93.3	(11.5)	93.5	93.0
Capital Financing costs	162.6	182.9	218.6	55.9	259.8	269.3
Total gross expenditure	5,054.5	5,168.4	5,311.0	256.5	5,423.6	5,510.8
Sales, fees, charges and recharges	(328.5)	(360.4)	(333.0)	(4.5)	(333.3)	(332.7)
Specific grants	(817.9)	(934.6)	(898.0)	(80.1)	(898.0)	(898.0)
Interest receivable	(13.3)	(18.7)	(10.3)	3.0	(10.3)	(10.3)
Total gross income	(1,159.6)	(1,313.7)	(1,241.2)	(81.6)	(1,241.5)	(1,241.0)
Net expenditure	3,894.9	3,854.8	4,069.8	174.9	4,182.1	4,269.8

Table 2: Net service expenditure gross of specific grants

Net service expenditure gross of specific grants	Approved budget 2025-26	Forecast Outturn (at Q2) 2025-26	Budget 2026-27	Change (Approved budget to budget)	Plan 2027-28	Plan 2028-29
MOPAC	£m	£m	£m	£m	£m	£m
Metropolitan Police Service						
Frontline Policing	1,856.6	1,857.7	1,861.5	5.0	1,861.4	1,861.4
Operations & Performance	1,054.1	1,009.9	1,001.8	(52.3)	1,000.1	999.8
Specialist Operations	518.2	573.2	569.9	51.7	570.3	571.1
People & Resources	489.4	478.9	528.6	39.3	533.5	527.3
Professionalism	122.0	136.6	142.1	20.1	142.1	142.1
Digital, Data & Technology	276.2	265.2	266.8	(9.3)	259.4	259.4
Comms & Engagement	14.9	11.7	14.2	(0.7)	14.2	14.2
Strategy & Transformation	97.2	82.1	119.7	22.5	115.3	114.4
Centrally held	(40.8)	37.3	97.0	137.8	180.4	265.0
Discretionary Pension costs	48.0	46.0	46.4	(1.6)	47.3	47.3
Net MPS service expenditure excl SG	4,435.7	4,498.7	4,648.2	212.5	4,723.9	4,801.9
MOPAC (including VRU)	127.6	126.5	111.2	(16.4)	106.6	106.9
Net service expenditure excl SG	4,563.4	4,625.1	4,769.5	196.1	4,830.5	4,908.8
Metropolitan Police Service						
Frontline Policing	(27.4)	(33.7)	(33.6)	(6.2)	(33.6)	(33.6)
Operations & Performance	(66.6)	(80.8)	(74.0)	(7.3)	(74.0)	(74.0)
Specialist Operations	(523.0)	(578.1)	(576.1)	(53.1)	(576.1)	(576.1)
People & Resources	(19.6)	(20.9)	(19.9)	(0.3)	(19.9)	(19.9)
Professionalism	(3.6)	(4.4)	(4.6)	(1.0)	(4.6)	(4.6)
Digital, Data & Technology	(7.1)	(5.3)	(7.1)	0.0	(7.1)	(7.1)
Comms & Engagement	(0.3)	(0.1)	(0.3)	0.0	(0.3)	(0.3)
Strategy & Transformation	0.0	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Centrally held	(134.6)	(175.0)	(150.2)	(15.6)	(150.2)	(150.2)
Discretionary Pension costs	0.0	0.0	0.0	0.0	0.0	0.0
MPS Specific grants	(782.3)	(898.8)	(866.3)	(84.0)	(866.3)	(866.3)
MOPAC (including VRU)	(35.6)	(35.8)	(31.7)	3.9	(31.7)	(31.7)
Specific grants	(817.9)	(934.6)	(898.0)	(80.1)	(898.0)	(898.0)
Net service expenditure	3,745.5	3,690.5	3,861.4	116.0	3,932.5	4,010.8

Table 3: MOPAC – Capital strategy outturn prices 2030-31 to 2044-45

Capital strategy Outturn prices	Years 6-10 2030-31 to 2034-35 £m	Years 11-15 2035-36 to 2039-40 £m	Years 16-20 2040-41 to 2044-45 £m	Total Years 6-20 2030-31 to 2044-45 £m
Transformation	8.9	105.4	105.4	219.7
Maintenance	1,036.1	1,000.9	952.5	2,989.5
Sub-total MOPAC	1,045.0	1,106.3	1,057.9	3,209.1
Likely funding	298.2	304.5	299.3	902.1
Sub-total MOPAC shortfall	746.8	801.7	758.5	2,307.0

Table 4: MOPAC - Capital financing costs

Capital financing costs	Forecast Outturn (at Q2) 2025-26 £m	Budget 2026-27 £m	Plan 2027- 28 £m	Plan 2028- 29 £m	Plan 2029- 30 £m
Minimum revenue provision (MRP)	95.2	112.0	133.7	154.5	156.3
Principal and interest costs associated with leases and PFI	37.5	38.3	38.3	31.3	18.5
Interest costs on external borrowing	41.5	45.3	53.1	55.9	56.9
Total	174.3	195.6	225.1	241.7	231.7
Revenue contribution to capital	8.6	23.0	34.7	27.6	
Total	182.9	218.6	259.8	269.3	

Table 5: MOPAC - Borrowing limits

External debt	Current Approval 2025-26 £m	Proposed 2026-27 £m	Proposed 2027-28 £m	Proposed 2028-29 £m	Proposed 2029-30 £m
Authorised limit					
Borrowing	1,389.8	1,536.1	1,580.1	1,595.4	1,616.8
Long term liabilities	140.4	112.1	81.8	60.4	55.0
Total	1,530.2	1,648.2	1,661.9	1,655.8	1,671.8
Operational limit					
Borrowing	1,264.8	1,411.1	1,455.1	1,470.4	1,491.8
Long term liabilities	140.4	112.1	81.8	60.4	55.0
Total	1,405.2	1,523.2	1,536.9	1,530.8	1,546.8

Table 6: Statutory Capital Spending Plan**Statutory Capital Spending Plan**

Description	2026-27
Total external capital grants anticipated to be received during the year	49.9
Opening balance of capital receipts	
Total capital receipts during the year	10.6
Total capital grants/ receipts	60.5
Minimum s.120(1) grant	0.0
Total borrowings undertaken during the year	0.0
Total amount to be treated as borrowing in the year because of section 8(2) of the Local Government Act 2003 (under which entry into, or variation of, a credit arrangement is treated as a form of borrowing)	0.0
Total borrowings and credit arrangements	0.0
Total capital expenditure anticipated during the year	401.6
Total of the amounts to be treated as borrowing in the year because of section 8(2) of the Local Government Act 2003	0.0
Total capital spending for the year	401.6
Funding: capital grants used to fund capital spending for the year	49.9
Funding: capital receipts/reserves used to fund capital spending for the year	10.6
Funding: borrowings and credit arrangements used to fund capital spending for the year	336.6
Funding: revenue contributions used to fund capital spending for the year	4.5
Total funding	401.6