

MAYOR OF LONDON

Neil Garratt AM

Chairman of the London Assembly Budget and
Performance Committee

C/o Gino.Brand@london.gov.uk

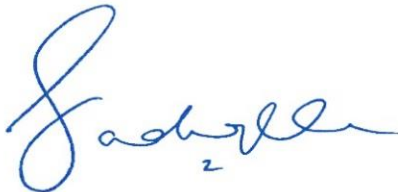
Our ref: MGLA230125-8747

Date: 19 February 2025

Dear Neil,

Thank you for your letter following the Budget and Performance Committee's meeting on 7 January. I am grateful for the Committee's engagement and recommendations, my response to which is attached.

Yours sincerely,



Sir Sadiq Khan

Mayor of London

Cc: David Bellamy – Chief of Staff
Fay Hammond – Chief Finance Officer
Elliott Ball – Interim Director, Group Finance and Performance
Amana Humayun – Chief Finance Officer, MOPAC
Gino Brand – Senior Policy Adviser, Scrutiny and Investigation (London Assembly)
Paul Goodchild – Principal Committee Manager, Secretariat (London Assembly)

MAYOR OF LONDON

Annex

Mayor of London's response to the recommendations of the London Assembly Budget and Performance Committee on MOPAC 2025-26 Budget

Recommendation 1

The MPS should provide an updated proposal on the level of officer reductions it expects in 2025-26, reflecting the additional funding secured in the January Consolidated Budget. It should also share its analysis of how it will achieve any planned reductions with the Committee.

Separate from the publication of the Mayor's Final Draft Budget for 2025-26 ("Final Draft Budget") on 17 February, the Metropolitan Police Service (MPS, "the Met") and MOPAC published an explanation of the impact of the budget on workforce levels and any service changes ([MOPAC Budget 2025-26: update on Metropolitan Police Service 'tough choices'](#)) required as a result of these. The paper does not include the application of the additional £83 million provided in the Final Draft Budget, which reduces the 'tough choices' required to balance the budget. Those decisions will be finalised in the MOPAC budget to be published in March.

Recommendation 2

In future years, the MPS should publish the underlying assumptions of Police Officer and Staff numbers as part of its initial budget submission. These should then also be included in the Mayor's Consultation Budget.

MOPAC endeavours to provide this level of detail, but funding uncertainties can sometimes mean that this is not possible until later in the budget process when a more definitive position can be provided. MOPAC's draft budget submission must balance the need to provide sufficient detail for meaningful consultation with Londoners on likely budget proposals, whilst avoiding giving a misleading impression of the level of certainty that is available at that stage in the process, including on the impact of potential savings proposals.

Recommendation 3

The Final Draft Consolidated Budget 2025-26 should include:

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

Separate from the publication of the Final Draft Budget, the Met and MOPAC published an explanation of the impact of the budget on workforce levels and any service changes required as a result of this [MOPAC Budget 2025-26: update on Metropolitan Police Service 'tough choices'](#)). The paper does not include the application of the additional £83 million provided in the Final Draft Budget, which reduces the 'tough choices' required to balance the budget. More detail on the components of this will be included within the final MOPAC-MPS budget publication in March. The operational impact of any such changes will be explained within these documents, along with a summary of the areas of planned efficiencies, which should not affect service delivery.

MAYOR OF LONDON

Recommendation 4

We have not heard the merits of MOPAC's change in budget format, and are concerned by the consequences for our scrutiny. MOPAC should respond to this letter with a clear explanation of its change in budget presentation, which removes specific government grants from its departmental expenditure breakdown. Alternatively, it should ensure that full departmental expenditure breakdowns are included in the Final Draft Consolidated Budget.

The change in format of the objective tables for all GLA Group bodies was to ensure alignment with statutory statement of accounts (SoA) requirements, which are not under the control of MOPAC or the GLA. The decision was made in order to increase consistency across budgeting, in year monitoring and the SoA outturn, and the then GLA Group Interim Chief Finance Officer consulted with the Assembly on these changes over the Summer of 2024.

However, MOPAC and the GLA have listened to the Assembly's concerns. To address this, MOPAC provided the Assembly with a breakdown of service-specific grants in December 2024, and an additional set of budget tables is provided in the Mayor's Final Consolidated Budget for 2025-26 ("Final Draft Budget") published on 17 February 2025.

Recommendation 5

In future, MOPAC (and all other functional bodies) should explicitly indicate when they are making changes to their budget formats and explain these as part of their initial submissions each year.

As was the case before the 2025-26 budget process, finance officers will consult the Committee on proposed enhancements to the budget process, including budget formats, in advance of the Mayor's Budget Guidance for 2026-27 being published. This will explain and provide the rationale for any planned changes.

Recommendation 6

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

The Estates Strategy is unlikely to be published in the final quarter of 2024/25. The MPS will write to the Committee separately on the strategy.

Recommendation 7

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

The Final Draft Budget includes the MOPAC Chief Finance Officer's assessment of reserves and how an adequate level is maintained.