

**Budget and Performance Committee – 5 January 2016****Transcript of Agenda Item 6 – The 2016/17 GLA Group Budget (Police)**

**Mayor John Biggs AM (Chairman):** Then we will move on to the Greater London Authority (GLA) group budget. Everyone should have all of the exciting paperwork in front of them and, as is usual, we have a set of questions.

Perhaps we should go around and identify our witnesses. Obviously, we know David Gallie, who is here on behalf of the GLA, and we know Stephen [Greenhalgh, Deputy Mayor for Policing and Crime], of course.

**Rebecca Lawrence (Director of Strategy, Mayor's Office for Policing and Crime):** I am Rebecca Lawrence, Director of Strategy and Resources at the Mayor's Office for Policing and Crime (MOPAC).

**Mayor John Biggs AM (Chairman):** Craig [Mackey QPM, Deputy Commissioner, Metropolitan Police Service] we know, yes, and you are --

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** I am Lynda McMullan. I am Director of Commercial & Finance at the Metropolitan Police Service (MPS).

**Mayor John Biggs AM (Chairman):** Excellent. Without further ado, then, do you want to start, Stephen, by just giving us - I am being very generous - a one-and-a-half-minute canter through your budget and how you have managed to pull a rabbit out of a hat courtesy of that nice Mr Osborne [Chancellor of the Exchequer]?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Why is that generous, Chairman?

**Mayor John Biggs AM (Chairman):** Because I would not normally let you say anything!

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** It is fair to say that we had two challenges coming into this financial settlement. One was a review of the Police Funding Formula, which potentially would have affected the MPS very severely by a reduction of around £184 million, and that review was halted. There was a lot of lobbying to say that the approach that the Home Office had taken was not sensible. That has been shelved or postponed.

The second area was, obviously, that policing was not protected as a spending area. We have, up until now over the last four years, had to find significant savings of around £100 million a year. We were modelling savings of 25% and 40%, which would have, translated, meant finding real cash savings of around, again, £100 million a year through to 2020.

Of course, the Chancellor announced that the policing budgets would be protected in real terms. After all the top-slicing, effectively - and we can quibble around the edges - we have been gifted a much better settlement than we could have expected. It is flat cash, there or thereabouts. At the wildly optimistic, we were not modelling anything like that going into the review period.

That, of course, is very good news but there are growth pressures for the MPS and that does mean that in order to maintain the commitments around officer numbers and also neighbourhood policing, we have to

continue to reform and also to look to get efficiencies in the back and middle office. I would like to pay credit to the MPS because, on the objective measure of the number of police on the front line, that has increased over time quite dramatically. The Operational Policing Measure shows that it has increased by about 10 percentage points. Also, the cost of services of the back office has come down quite dramatically by all of the objective measures. If you compare human resources (HR) and finance, they were the most expensive of police forces and they are now very much at the lower end. That has happened over the last four years.

In summary, it is a positive position for the police, but the challenges will be for the wider criminal justice system because there are difficulties. We must remember that whilst crime has come down overall in the capital since 2012, the reoffending rate in London is stubbornly high. The Ministry of Justice (MoJ) is not a protected department and neither is the Crown Prosecution Service (CPS). I think there are challenges for the wider criminal justice system.

**Mayor John Biggs AM (Chairman):** It is very interesting to be in a position - here we are; I would say typically provocatively - where you have more money than you know what to do with. By that I mean that obviously, until the Chancellor stood up, you assumed you were going to have these massive cuts and had prudently budgeted for them and made all sorts of contingent savings. It has thrown your financial planning into some turmoil, although in a rather positive sense. Obviously, if the Chancellor had stood up and done the opposite and had taken away the £120 million that you were expecting to have, then we would be well up the creek, I would have thought.

How do you intend to allocate the additional £122 million now available?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Let us be clear. I think it is quite straightforward. The assumption when we were talking about £800 million, if you remember, Chair - and the financial people can correct me, but broadly speaking without looking into the precise figures - was that around half of that could be delivered by back and middle office savings. The rest were then a resharpening of rather more difficult and unpalatable choices at the front line.

Effectively, we want to continue with the reform of the back and middle office in order to be able to maintain officer numbers and deliver neighbourhood policing. Then there is the other challenge, of course, with the new pressures and the new challenges that the MPS faces around cybercrime, terrorism and child sexual exploitation. There are new crimes that need tackling as well. Broadly speaking, it is continuing the back office reform programme.

**Mayor John Biggs AM (Chairman):** I do not think I am misrepresenting you. You have been very clear in the past that, with the expectation on the budget, there would be enormous pressures on police numbers and it would be very hard to sustain them in the longer term. You are saying that that pressure continues, although it has been relieved by the Chancellor's announcement?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** You can never foresee absolutely everything, but by and large the Chancellor's announcement means that we do not face a cliff edge in police numbers. However, it does require continued reform to be able to maintain those numbers.

**Mayor John Biggs AM (Chairman):** OK. We will probe a little further into whether you have the balance right a bit later on. In answer to the question about how you intend to allocate the additional £120 million, is it simply that you are going to stick it in the reserves or are you going to delay savings that you were going to have trouble meeting anyway?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** What it means is that the discussion around how you reform the front line - there were discussions, obviously - around the size of the basic command units, whether you move away from borough structures, which would save money, how quickly you move to reduce the number of ranks and all of those difficult decisions, either internally for the MPS or that require the consent of the people of London, can now be taken on the basis of whether they are going to make London safer as opposed to the immediate cost pressure. That is probably the answer to your question.

**Mayor John Biggs AM (Chairman):** OK. If I could ask Rebecca Lawrence, then, in paragraph 1.3 of our briefing, it says:

*"[You] are currently allocating this additional expenditure to the correct business group lines and this will be reflected in the Mayor's Draft Consolidated Budget to be published in January 2016."*

That sort of says to me that you allocated the money to the business lines but you do not quite know what it is going to be spent on yet. Correct me.

**Rebecca Lawrence (Director of Strategy, Mayor's Office for Policing and Crime):** Lynda [McMullan] may want to comment on that. As the Deputy Mayor said, prior to this spending review settlement, the MPS had worked out quite detailed plans for the back and middle office savings. The front office savings were going to be harder and more controversial and those are not needed to be taken in this period. Therefore, the spending table just reflects that. Could you be a bit more precise, though?

**Mayor John Biggs AM (Chairman):** A bit more precise?

**Rebecca Lawrence (Director of Strategy, Mayor's Office for Policing and Crime):** Which paragraph were you referring to?

**Mayor John Biggs AM (Chairman):** I am referring to page 27 of the Mayor's budget consultation. There we are: page 27, paragraph 4.14. It says:

*"The Mayor is proposing that the net change in MOPAC's expenditure is £122.3 million. This expenditure will be funded from reserves in 2016/17. MOPAC are currently allocating this additional expenditure to the correct business group lines and this will be reflected in the Mayor's ..."*

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** This is a reflection of expenditure from reserves. It is not a reflection of extra money. A part of that is the scrutiny we get from the Home Office over the level of policing reserves. There is about £1 billion in policing reserves.

Quite frankly, Chairman, the concern we have there is that the reserves will just be taken away and so this is an accounting mechanism to be able to support the business to make sure that it is not seen that we are withholding cash that could be spent --

**Mayor John Biggs AM (Chairman):** This £122 million does not actually exist, then?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** It does exist; it is in reserves.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** It does exist. This is just reflecting the amount of money that we are spending necessarily from reserves. For transparency, we have been quite clear that we are spending that money and that is part of the budget consultation.

**Mayor John Biggs AM (Chairman):** OK. Which savings and efficiencies that you had earmarked for 2016/17 will no longer be required?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** As Rebecca [Lawrence] has explained, had we had --

**Mayor John Biggs AM (Chairman):** This is a rather surreal budget debate because you have been given this --

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** We have been given hypotheticals. All the nasty cuts are not going to happen now, thankfully, and all the nice cuts that are really hard to score any points on are still on the table, all the sensible stuff that you would support, Chairman.

**Mayor John Biggs AM (Chairman):** Not necessarily.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** That was to put words in your mouth but --

**Mayor John Biggs AM (Chairman):** There are some questions later on about the balance of savings across the overall Authority. Appealing as police officers in uniforms may be, if they are not supported adequately, it may be less appealing than it might superficially appear, for example. We are going to probe that a bit later on.

Savings and efficiencies you had earmarked for 2016/17 will no longer be required. What terrible --

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** We are not going to get rid of all the Police Community Support Officers (PCSOs), for instance.

**Mayor John Biggs AM (Chairman):** You were going to get rid of all of the PCSOs?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** It was being considered. Certainly the Mayor and I were arguing that we could see a case that the budget was difficult, but that was certainly something that was being discussed. It had not gone through the management board prior to the funding settlement. We are very clear that there is a resolute commitment to maintain the PCSO and officer numbers at the ward level. There will be a minimum of one-plus-one in all wards.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** If you recall, Chairman, we did a lot of planning during the summer about things that would have to take effect and hit the budget line from April 2016. On the debate around PCSOs, while it was unpalatable, if we were going to make that saving and if the announcement had been different, we would have had to make a collective decision very quickly literally to get people off the books and out of the organisation. Whilst a budget comes but once a year, actually delivering it takes every one of the 364 days in between.

**Mayor John Biggs AM (Chairman):** You were upstairs at the Yard, rushing around like Chicken Licken, in the summer --

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** I would not say we were like Chicken Licken, no.

**Mayor John Biggs AM (Chairman):** -- until that nice Mr Osborne stood up and saved you from having to make those hard decisions?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** No. We spent most of the spring and summer with colleagues from across London as well talking about the art of the possible. We did the work with the Royal Society of the Arts (RSA), talking about what London could look like.

That was all with the recognition that we had been asked to model between 25% and 40% in cuts. It would be inexcusable if I sat here and we had a 40% cut and I said, "We are going to go back and have a think about it now, Chairman, because we do not know what we are going to do". The reality is that you have to have all of those ideas on the stocks. Whilst we could all see 2016/17 and probably 2017/18 at those sorts of levels, it was getting really hard to work out what that would like in 2019/20. The ones that have been averted are PCSOs and big falls in the officer line. It took a lot of thought, but we went quite public about thousands of falls in officer lines. Those things have been averted by this. We had to do all of that planning. It would have been, I would suggest, professional negligence not to have done it.

**Rebecca Lawrence (Director of Strategy, Mayor's Office for Policing and Crime):** If I may add, it was the nature of this work, planning those back and middle office savings and identifying what might need to happen in the front line, which was able to determine and evidence the lobbying position we took with central Government. We were able, collectively, to demonstrate the choices that were planned for and that would need to be taken if necessary.

**Mayor John Biggs AM (Chairman):** That was a very thoughtful reply. I suppose there is another thoughtful reply to this, which is that whoever the next Mayor is will inherit a body of thinking that might otherwise not have been quite as progressed, which will give him some options.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Yes.

**Rebecca Lawrence (Director of Strategy, Mayor's Office for Policing and Crime):** Yes.

**Joanne McCartney AM:** Just quickly on the PCSOs, Stephen has just said that he is committed to retaining PCSOs at the ward level, but at the last Police and Crime Committee the Commissioner [Sir Bernard Hogan-Howe QPM] gave a commitment that no PCSO posts would be lost.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** I thought he said at ward level. I will check for you.

**Joanne McCartney AM:** No, because I asked him to clarify. I said, "There were others in other positions". Is that still your thinking?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** The roads policing ones are safe with the Transport for London (TfL) money. I cannot remember the number at the moment. I want to say 600 --

**Joanne McCartney AM:** Perhaps we would wish to clarify after the meeting, Chairman.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Yes.

**Joanne McCartney AM:** Just quickly about where that money should be spent, the Commissioner also indicated that in February 2016 - which I presume is in the final budget - you might be able to announce something with regards to neighbourhood policing.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Yes.

**Joanne McCartney AM:** I assume that means more resources. Would that be more PCSOs or police constables (PCs)?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** That is a live debate at the moment. When did we meet? Was it 17 December 2015? It was the week after we met as a management board. We have a meeting on 2 February 2016. I am before you on 27 February 2016 and so whatever comes out I will be able to tell you.

**Joanne McCartney AM:** You are obviously considering something?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** We are considering something. What is the neighbourhood offer? It is a live debate at the moment. We are talking to a number of people across London about that.

**Joanne McCartney AM:** OK. Thanks.

**Mayor John Biggs AM (Chairman):** If I could clutch a cloud from within the silver lining, it would be about the National and International Capital City (NICC) functions. You have previously had a budget of £174 million. We were advised that, roughly, the costs are twice that. There is a new programme in which you bid for funding and our Chair - not wishing to embarrass him - said that the question was whether we get tens of millions, £50 million or £100 million. In reality, we actually got nothing.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Do you mean me? Yes, I got zero. Yes, quite right. However, we got more money from the other --

**Mayor John Biggs AM (Chairman):** Obviously, that more or less accounts for £122 million, I suppose, does it not? Looking at it, it is sort of one-for-one. Can you give us a presentation on how you are going to better improve our demands in that area in future and what the policy matters are?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Trust you to find the bit of bad news in the good news, Chairman!

**Mayor John Biggs AM (Chairman):** Do not worry; we can find plenty more bad news.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** I am sure you will, but I was just trying to humour you.

The bottom line is that there was a phenomenal bit of effort from the MPS to show the cost of policing London as a capital city in policing terms with a very detailed audit of that for the first time. It now is understood within the Home Office and within Whitehall that that is considerably more than we are receiving in funding. That is now known and that is a positive thing for the future.

It is hard to not see this position improve from where we are today. It is hard not to justify re-funding something which is designed to refund the real costs. The argument is that overhead is included. It is £274 million, £275 million or whatever without overhead and then with overhead it is nearer £350 million. Is that right?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** It is about £60 million or £70 million of overhead.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** OK, that is £340 million or whatever.

**Mayor John Biggs AM (Chairman):** The £340 million is ...

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** With overhead, yes. It is useful to have that as a marker because that is not going to go down over --

**Mayor John Biggs AM (Chairman):** Does the Government believe you that that is the overhead?

**Rebecca Lawrence (Director of Strategy, Mayor's Office for Policing and Crime):** Yes.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Yes, it does, absolutely.

**Mayor John Biggs AM (Chairman):** Yes, but they will give you only half --

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** Could I just explain? We did go through a very detailed process. As Stephen [Greenhalgh] set out, we went through in an awful lot of detail proving those costs. We, firstly, went through a panel interview with civil servants. We then went through a second panel, with Sir Richard Mottram chairing, to go through and ascertain those costs. At the end of all of that, the panel's finding was that 97% of what we had put forward was sustained and agreed as being proven, if you like. Stephen is perfectly right that that in itself is a big achievement. We have proven that case and we have that on record, but we have not seen any money flowing from that finding as yet.

**Rebecca Lawrence (Director of Strategy, Mayor's Office for Policing and Crime):** If I can just develop on that, Lynda and I both presented at the final panel chaired by Sir Richard Mottram. It was a good process and they were complimentary about the evidence put forward.

In the grant settlement, the Home Office was quite specific with us that both the MPS and the City of London Police were receiving only 62% of their NICC entitlement from this evidence-based process. That was on the grounds of affordability because the Home Secretary and the Chancellor wanted to protect all force budgets and ensure that all forces received flat cash. If you give a significant proportion to London, it has to be top-sliced off the main grant. It makes other forces' settlements become less affordable and would have made them fall under that level.

They have indicated, though, that going forward they see - and this is just an indication at official level; future budgets would need to be tested - that NICC funding should become more affordable in future years as top-slices for Home Office centrally funded information technology (IT) programmes reduce in size in the latter period. Therefore, we will have to hold them to their word in future years.

**Mayor John Biggs AM (Chairman):** Are we in no worse position than we were in previous years, then?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** We are better.

**Mayor John Biggs AM (Chairman):** We are better? Why?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** What do you mean, sorry? With NICC, we are flat.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** The NICC in isolation is the same.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** It is the same.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** For the NICC in isolation, it is exactly the same.

**Mayor John Biggs AM (Chairman):** We are flat in arithmetical terms, but after inflation and expectations and costs and fears of terrorism and all of those sorts of things?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** The issue where NICC will be crucial: we touched on the fact that the funding formula has moved a year. One of the strategic decisions - and we genuinely do not know which way the Home Office will go - is whether you try to design a funding formula that works for all police forces. Do you take some of those activities that NICC funds at the moment because they are not in the funding formula and incorporate it? We, quite understandably, take a London perspective. If you are sitting in West Mercia or Thames Valley, you look on this fund with some degree of suspicion and see it as how London gets sorted. We know the reality from doing the audit. That is money that is actually being spent policing the NICC bit. That is one of the big strategic issues that, for an incoming Mayor, during this next round of funding has to be picked up.

**Mayor John Biggs AM (Chairman):** To facilitate that, it would obviously be helpful to share widely within City Hall and elsewhere the exchange that you had with the Government. Is that available?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** We can certainly share the information we have received and the minutes from the panel meetings. A lot of the information we have is fairly informal and variable, but we can certainly share what we have.

**Mayor John Biggs AM (Chairman):** Maybe we can follow that up because whoever the next Mayor is will need to be supported in making this case for London.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Yes.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** That is very helpful. Thank you.

**Rebecca Lawrence (Director of Strategy, Mayor's Office for Policing and Crime):** It is helpful. The Home Office and Home Secretary have suggested that one of their objectives in this process going forward is not to have to repeat this baseline exercise in every year, which we think is really welcome, and also to add transparency to the process so that - precisely as Craig [Mackey] says - other forces can have confidence that it is evidence-based. We all really welcome that. We would have completely open books on this process if it were our choice.



**Mayor John Biggs AM (Chairman):** That is helpful. Obviously, the debate may move in all sorts of directions because, if it is a clearly identified budget, then it does create the expectation of a clearly identified segment of the MPS where boundaries have perhaps been a bit more blurred in the past.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** You are right to raise that issue. We would certainly want to see receiving the money but not to have it ring-fenced or a lot of reporting around it. That would just be both bureaucratic and operationally limiting. We would want to have that debate with the Home Office as well.

**Mayor John Biggs AM (Chairman):** That was helpful.

**Jenny Jones AM:** Mr Greenhalgh, you are a businessman and I would argue that it is quite unusual for any department to overspend by 100%. How have you allowed this to happen?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** What are you referring to? Overspend on?

**Jenny Jones AM:** I am talking about the NICC budget. The MPS has overspent by 100%. Those are the figures that we have had before.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** The way the NICC works is to pay in arrears. You have your budget and you go about policing public order, the embassies or whatever is your responsibility by being a police force of the capital city, and then you seek to be reimbursed having spent the money. That is the process. You do not, as it were, budget to spend only a certain amount on public order. You spend what you need to spend to get the job done. That is the answer to your question. It is a reflection that this is unlike 95% of grants, which are grants for the forthcoming year and then you know the resources that you have to spend.

This is, effectively, a reimbursement in arrears but it sets the budget that we get to spend. Therefore, we now know that we have £19 million more than we had last year to spend on policing before we hear about counterterrorism (CT) policing and other forms of policing. That will be our budget for 2016/17. It is the nature of the way the NICC is funding.

**Jenny Jones AM:** My impression has been over the years that we have watched the MPS that it has never been settled in full and there has always been a deficit. Is this the first time that it has reached 100%? Has it been 100% before or have you never done the baseline exercise before?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** This is the first time that the expenditure has been accepted by Whitehall as what was spent on capital city policing. That is the win. That is the difference from previous years. Previously, the MPS would make representations that the spending was of this order of magnitude, which had not been accepted by the officials in the Home Office.

**Jenny Jones AM:** It has happened before, as far as the MPS is concerned?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** I was going to say that the Home Office's perspective is that the NICC grant originated as a contribution towards the additional costs. We are trying to put this on a firmer footing. The budgets are what we expect to spend in these areas.

They will be fully budgeted. The income is what we expect to get from the Home Office. Obviously, we would like to be fully funded for these issues, but we have budgeted properly for the expenditure.

**Jenny Jones AM:** This baseline exercise, presumably, has been done every year. No?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** No.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Frankly, it is a huge amount of effort to do it.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** It is. Last year, we did a job last year to do it to an extent. The Home Office, in terms of trying to get this on a firmer footing, asked for a very complete job to be done, which we happily accepted to do. We did it to their rules and guidelines because they did not actually provide any rules and guidelines prior to that in terms of putting the bid forward because it was not previously a bid two years ago.

That process is fairly new and so it was a really huge job for us to do that this year. We engaged very early on with the Home Office to make sure that we all understood the level of evidence that they wanted. As everyone has said, it took an awful lot of time to do. We now have that baseline, we now have agreement as to what that is and we are looking to get that sorted out over the next couple of years.

**Jenny Jones AM:** That does sound like a really big win. Is it something that you can replicate each year now that you have the system set up?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** The discussion that we had with the Home Office was that this is something that needs to be set out in a four-yearly cycle in line with the spending review. In terms of planning, from the MPS's perspective, we want to be able to plan over years rather than, as Stephen [Greenhalgh] was reflecting, getting a year's in-arrears money afterwards. That is a really unsatisfactory way of doing a major piece of business and is just really not where we want to be with the Government on this at all. It accepts that. We have done some work to get this on a firmer footing. We now need to get this in terms of a three- or four-year settlement for London.

**Jenny Jones AM:** Mr Mackey, what are the options for working within budget?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** The Houses of Parliament is a really good example. Within 500 metres of the Houses of Parliament, probably every one of our budget lines comes into play. The officers you meet as you go in there are funded out of the CT grant or the royalty protection grant. On the river, it might be the general grant depending on their deployment or it might be the CT grant depending on their deployment. If you meet a PCSO or an officer as you come out of the Tube to walk across into there, they might be partly funded by our work with TfL. If you meet a Westminster officer who just happens to have been in there, they will come out of our core grant. That gives you an idea of how complex and challenging that is. In an ideal world, if you were starting again, you would give one pot of grant to policing London and manage within that. Marine policing is a good example. Depending on the deployment will depend on which grant they are in.

If you look at the things that NICC funds, do you stop doing the State Opening of Parliament? Do you stop some of the national events take place here because it is a national and international capital city? Do you stop protecting embassies? You probably cannot do it. This is why it was always set up, originally in the history of this, as a bit of a top-up to pay part of the money for it. It is getting it to a point where we say, "The current

funding formula for policing just does not cover these activities. These activities cost this to the people of London to do". We have reached a position where we have half of that covered. The next bit is to get to a point where we have all of that covered.

It is really hard. We have had debates in the Police and Crime Committee (PCC) at times. Would you stop supporting protests and all of those sorts of things? Where do you draw the line on this?

**Jenny Jones AM:** Protecting Tony Blair's [former Prime Minister] houses or something like that, yes.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** That is not for me. As you know, we do not make the decisions about who to protect.

**Jenny Jones AM:** I know, but I am just wondering how much power you could take and say, "We simply cannot do this anymore".

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** At the end of the day, that is part of the funding that comes from another stream. Providing Government committees say that that is who requires protection --

**Joanne McCartney AM:** They will be sued as well if something happens.

**Mayor John Biggs AM (Chairman):** This is an ongoing discussion. Jenny is also a Member of Parliament and can obviously discuss it up there. I guess we probably do need to move on. There is bound to be a fuzzy line. If we want to preserve this idea that we have a London police service and we do not have national police services to do things in London, then we have to accept that there is a fuzzy line. As the Budget Committee here, we may say that we want to account for every pound spent on behalf of Londoners, but equally we know that when certain things happen the Prime Minister or the Home Secretary will stand up and say, "This will happen in London", even though it may technically not be their remit to do that. It is part of the fuzzy boundaries of the way things work and I guess that is the price we pay for that.

**Joanne McCartney AM:** The one piece of funding that is not in here is the CT grant. Could you tell us what the timescale is on that? Are you likely to have to go through a similar panel process to prove the case or not?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** No, that is done for the CT grant. There has been a whole load of efficiencies and work done over the last number of years in terms of a priority-based budgeting process in there. We have a headline figure, but we get the detail of that announcement later this month.

**Joanne McCartney AM:** The headline figure is?

**Rebecca Lawrence (Director of Strategy, Mayor's Office for Policing and Crime):** The Home Secretary increased the overall CT policing grant to £670 million.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** That is nationally.

**Rebecca Lawrence (Director of Strategy, Mayor's Office for Policing and Crime):** Yes, that is nationally.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** That is broken down.

**Rebecca Lawrence (Director of Strategy, Mayor's Office for Policing and Crime):** How that is broken down between national programmes and then between forces and the different CT units is a decision for the National CT Policing Headquarters, where I used to work, and that happens in January 2016.

**Joanne McCartney AM:** What increase is that on last year's national grant? Do you know? Is it an increase?

**Rebecca Lawrence (Director of Strategy, Mayor's Office for Policing and Crime):** It is an increase in real terms, yes.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** It is an increase. I would have to check. I can come back to you on what the increase is.

**Richard Tracey AM:** First of all, you must be congratulated on the way you have put the arguments to the Government because, after all the dire predictions that were being made, I am sure we were all extremely relieved at the funding that came out of the Autumn Statement and the central review of spending.

This section of questioning is really about how you have made particular savings. One point, for a start, is that the Mayor in 2012 - and the Deputy Mayor for Policing and Crime - made the announcement that we were going to have around 32,000 police officers in London. However, it seems from the scrutiny of the MPS's auditors that you spent £134 million less than had been budgeted on police officers and on PCSOs and that, as we understand it, the average police figure was not 32,000; it was actually 31,000. Can you explain that and why you did the costings in the way you did?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** There was a decision in the run-up in the Olympics to freeze recruitment. That meant, before we could turn the tap back on, having confidence that we could maintain police officer numbers at or around 32,000. We had a natural loss and it went down closer to 30,000 at its lowest point. Now, we are back up at 32,000. In short, switching on and off the recruitment tap is the reason for that.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** In 2012, you will recall, with the Olympics, we did no recruiting at all. Our normal recruiting is about 1,600 to 1,800 a year. As soon as you turn recruiting off, you very quickly start to accumulate savings. We grew back up and in March last year, from memory, it was 31,956, which is the number to get back to. Our planning out through 2016/17 is to keep it at that figure of 32,000. We have a good pipeline of recruits coming in. There is no problem of recruiting at the moment. However, it literally was to come down to go back up and that has always been the plan. We could not run recruiting all the time we were doing the Olympics as well. If you remember, we stopped quite a number of things in London during that period.

**Richard Tracey AM:** It is a bit misleading, though, to tell the public that you are aiming at 32,000 and then to actually dip below it, is it not, really?

**Jenny Jones AM:** Not aiming. It is all an aim.

**Richard Tracey AM:** That is what the Mayor said. That was the figure: 32,000.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** I do not see it as 'misleading'. Every time you have asked questions about it over the last three or four years, we have been very

honest about where we are, what we are doing and what we are not doing. We published the data. The data comes out in terms of recruiting. It is there.

**Jenny Jones AM:** You have been honest, yes, but --

**Mayor John Biggs AM (Chairman):** Yes.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Sorry. People have not been honest?

**Mayor John Biggs AM (Chairman):** There is an underlying cynicism here. Is it purely an accident that we happen to have roughly 32,000 officers just as an election approaches when we did not manage to have 32,000 officers for the previous three years?

**Joanne McCartney AM:** It was a manifesto commitment.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** The answer is that, no, it was a commitment --

**Mayor John Biggs AM (Chairman):** It is not purely an accident, then?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** No, our establishment has always been reported. When we have been at 30,000, we have reported that we are below establishment.

**Mayor John Biggs AM (Chairman):** You may have reported it, but you have managed to achieve enormous windfalls in your budget savings --

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** There are some of the things that we touched on earlier on. We have talked about the flexibility we have with rank mix. People will say, "That is not really much, is it?" We have gone from being the worst force in the country to the best in four years. When you look at this, it has delivered tens of millions of pounds of savings out of police line budgets. If you look at the work we have done around our back office, we have gone from being an outlier at the wrong end of Her Majesty's Inspectorate of Constabulary's (HMIC) scales to being at the right end of the HMIC's scales. We have had three years of valuing the police inspections when they have given us a good grade. We did not achieve that by napping.

**Mayor John Biggs AM (Chairman):** You are essentially saying, then, that you do not really need 32,000 officers and it is just to keep the Mayor happy that you have 32,000 as the election approaches?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** If you asked the Commissioner, he would want 35,000 or 36,000 officers.

**Richard Tracey AM:** Actually, interestingly enough, I heard the Commissioner say two or three weeks ago that he felt that with this settlement you have we could actually see more than 32,000. You are probably taking the same line, are you?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** We have not come yet to the demands that are coming on. We have talked post-Paris and we have talked in the PCC about growing firearms officers. We have a huge volume of demand in the child and sexual offences command in terms of work. There are all sorts of calls for more officers or more resource.

**Joanne McCartney AM:** This is about the reduction in officers. I know that in certain operations you have had a shortage of detective capacity and you have hired back ex-officers, if you like, to assist.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Yes.

**Joanne McCartney AM:** The *Sunday Times* this week has stated that the MPS has paid G4S for officer time. I believe you paid officers from there to deal with investigations such as Operations Yewtree and Grange, the Madeleine McCann [missing child] investigation and Operation Withern, for example. I was just wondering. I had always understood that you were just hiring them back individually. I was not aware that you were going to a private company and hiring officers back. Is that correct?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** We go back to a number of companies. People will go on as an 'agency' status and then we will bring people back if we need to. I do not know. I am not sure about the figure for that company. That is why I am very vague --

**Joanne McCartney AM:** I was just wondering whether for ex-officers' time you pay the bill to a private company or to the individuals concerned and they go on the payroll, as it were.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Apparently - and I only got this second-hand - the history was that when we did that in the past there were suggestions that, "You like me and so you keep me on. You do not like Lynda [McMullan] and so Lynda goes", rather than --

**Jenny Jones AM:** That is true even with members of staff.

**Mayor John Biggs AM (Chairman):** We are going to probe this in a bit more detail in a later question.

**Richard Tracey AM:** Another area that I want to just focus on is premises because you certainly succeeded in reducing premises costs, apparently, from £217 million in 2011 to a forecast £173 million in 2015/16.

However, you were planning to make greater savings over the years on premises costs and you have not actually done that, have you? We are told that you spent £39 million more than budgeted for premises costs. How do you explain that?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Sometimes you do not deliver the things that you plan, but the principles from which you make the savings remain the same and in time we will achieve those savings. The estate running cost was £230 million. It was about £200 million when I started and so it had already come down by about £30 million. It is now about £170 million and we are trying to get down to £140 million over time. One of the things is that there will be buildings like the Empress State Building, which are a bit part of the running cost of the estate. The timing of that can change. There are reasons for not having hit that target.

We should be very pleased that at the same as making those property savings we have booked about £1 billion worth of property receipts over that period of time. In fact, the value of the MPS estate is, if anything, slightly more than it was back in 2012 despite those property receipts. We have had £1 billion and the value of the estate has remained the same or more. That is a very positive story on estates. Yes, you are right. More savings can be made on estate running costs.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** I was just going to add that I think the strategy on property has been absolutely right. I think the ambition has been absolutely right. We will make another £21 million in savings in 2016/17 and so we will catch up. We are just slightly behind. It is quite sticky getting people out of buildings and selling them, but we are getting that speeded up.

The other thing that is not picked up in some of the figures around property is that there are additional savings around some of the facilities management contracts and the staffing within property as well. Broadly, we are on target for 2016/17 in terms of that first tranche of strategy. We are only slightly behind. Given how difficult it is getting people out of properties, it is understandable.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** There is one thing to be very clear on. Craig [Mackey] and I were in the meetings. We have totally revolutionised the supply chain for facilities management. That has yielded significant savings. We now have a supply chain that uses smaller suppliers as well as larger suppliers to provide a facilities management service with an intelligent client. That is by KBR, which has done a very good job. It took a while to get going. All of those structural savings are important and they will yield those savings in time.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** There was about £10 million on facilities management.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** There was £10 million in savings, yes.

**Mayor John Biggs AM (Chairman):** The virtue you are claiming on property disposals would not have been quite the same if the market bubble had not continued to inflate on commercial property.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** There is no doubt that in today's market we would not be getting £370 million-odd for Scotland Yard. Our receipts and the timing of our receipts have largely been, even with the benefit of hindsight, very positive and --

**Mayor John Biggs AM (Chairman):** Lucky or positive?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Timing is everything in life. We should be able to reflect the high-end value of property. We probably timed our exit absolutely right.

**Mayor John Biggs AM (Chairman):** Timing is everything. That goes back to the point about 32,000 officers at the election date, I suppose, but that is --

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** You keep going back to that theme. Timing is everything. The Mayor asked me to do three things: save the money, make sure we maintain officer numbers as best we possibly can, get them to 32,000 and keep them at 32,000 --

**Richard Tracey AM:** The other area that we just wanted to probe a bit is technology savings. Are you now on target to meet the technology savings? I know that you, Stephen, have made quite a thing of technology savings over your time as Deputy Mayor. Are you on target, do you think?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** We are late, but --

**Richard Tracey AM:** You are late?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** We are late on delivering the savings in the sense that I would love to have delivered the full savings, but the building blocks are in place. Instead of having a single provider, which was essentially Capgemini, we have moved to what they call service integration and management (SIAM) towers.

Technology savings: yes, we are on track to deliver the savings and the first thing is that the Atos contract for SIAM is going to deliver savings of £16.7 million by 2020. We have also let a number of the tower contracts as well and Craig might want to go into detail on that, but significant numbers of those are now in place. Yes, I do believe that we will see those savings but, admittedly, a bit later than envisaged.

Previously, if you remember, it had been very hard to do anything other than re-let the old Capgemini contract. To be in a position where we have exited that contract sensibly and have set up a new structure, the MPS is to be congratulated. I know that other agencies are struggling with this.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** If there is one that frustrates me - and that Lynda [McMullen] and I and others are not worried about, but is the one that we have to do most work on - it is around the technology savings because the money should be there. We delivered about £27 million to £30 million in that first period. There was then more in that disaggregation of one big contractor. Logic says that if you have a series of specialist contractors and then tie everyone in with someone whose sole role it is to make sure - in the nicest way - that everybody plays fair and works to the same agenda, it will work better. There are some real savings in that. It is also bringing in some new technology a bit quicker, which is a positive benefit.

We are also doing a detailed piece of work at the moment with all the forces that are in our benchmarking family just to check if we are comparing apples with apples. We keep looking at these things around benchmarking costs. There are the additional costs of London. Certainly one of our risks with technology - and we have addressed one area of that - is keeping good people in the top teams because, as most of you know, in any walk of life at the moment the private sector is booming --

**Mayor John Biggs AM (Chairman):** Actually, we should, before we move on, return to the starting question from Richard, which was whether you could have met your 20% cost reduction target without operating with fewer-than-budgeted police officers? It is a pretty closed question to which the answer is yes or no. You could have done? How could you have done that, then?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** We have not budgeted. All the budgets have been set in previous years based on the 32,000. We will have underspent if we have not got up to establishment. They were not part of the savings.

**Mayor John Biggs AM (Chairman):** If you have underspent by roughly £100 million and something on police officers over that period, that money is sloshing around somewhere because it was unspent?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** At the end of the year, the underspending has transferred into our reserves and that has gone into our budget pressures reserve, mainly. That is money that we are now using in terms of helping us to achieve next-generation savings.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** The money does not disappear if we do not spend it.



**Mayor John Biggs AM (Chairman):** You have announced to the world today, Stephen, two failures, one on IT and the other on property disposals. I appreciate that you are telling us your ambitions --

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** No. Hang on a minute. That is your language of failure. No --

**Mayor John Biggs AM (Chairman):** -- and therefore failed to achieve the budget outcomes you were seeking there. You have underachieved and so that money has to come from somewhere, does it not? Has that not come out of the same reserve into which you have put the underspend on police officers?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** No. With the budgets, you set a strategy over four years to essentially do three things. You look to reduce the overhead to deliver the services because no one wants unnecessary overhead and it is not politically contentious. You look to release underutilised assets and the MPS certainly was not making good use of the estate; it was largely Victorian and very often in the wrong place. You look to reform. On all those measures, there have been significant achievements.

It is fair to say that the plan at any given time, whether you meet that plan precisely in the year that you set out in the plan, it may be a battle that we have not won this year. However, as you have heard, in every single case those savings will be realised. Sometimes we have realised greater savings than we anticipated ahead of time. We are not focusing on that, but essentially with the reduction in overhead, the savings are far greater than we anticipated.

**Mayor John Biggs AM (Chairman):** The record shows that you are --

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** We are not saying that that is a success. You are not whipping us for having achieved more savings than we --

**Mayor John Biggs AM (Chairman):** I think you are a fantastic person, actually, but Grant Thornton, however, disagrees with me. In its audit findings report from July 2015, it did highlight that there was a problem here:

*“The distinction should be made between not exceeding the budgetary constraints in any given financial year, and the genuine achievement of planned transformative savings in the year as part of a strategic change programme.”*

I can see that you have got away with it.

**Valerie Shawcross CBE AM:** Continuing on the performance theme, in 2013 there were two other very broad performance targets set. One was about a 20% reduction in neighbourhood crime types - the MOPAC 7 - and victims of crime. The other was an increase in public confidence of 20% by March 2016. Now it looks as though you are not going to meet, by any stretch of the imagination, the improvement in public confidence and there is going to be a bit of a shortfall on crime reduction and the MOPAC 7.

What are you going to do about the performance objectives for this coming budget given that the end of those performance periods was supposed to be March 2016?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** First and foremost, we are going to be looking in great detail at the MOPAC 7 and the impact of recording changes because it is fair to say that we were in fact right on the cusp of achieving the 20% neighbourhood crime reduction in March and April of last

year - 2015 - and since have slipped somewhat. Some of that does appear to be recording practices, but nonetheless it is not by any means impossible for us to achieve 20% by March 2016, and then the aim is to achieve 20% in March. It is a question of changes in the way you record crime and --

**Valerie Shawcross CBE AM:** Are you going to set a new target for the incoming budget year?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** No, I think it is for a new Mayor to set a performance target in June 2016 and deliver a new Police and Crime Plan by the end of the year in 2016. It would not be right for me to fetter my successor or a future Mayor on their performance objectives.

Broadly speaking, the MOPAC Challenge was, as you pointed out, in three areas: to reduce neighbourhood crime by 20% and to boost public confidence against a background of needing to make cost savings of 20%. Obviously, we have achieved the cost savings. It is going to be finely balanced whether we achieve the drop in neighbourhood crime, but it is still significant. Whether it is 19% as it stands today or 18.6%, it is still a significant drop since 2012. Six of the seven crimes have gone down and in only one we have seen a rise and that is violence with injury, which is in part down to recording and actually has gone down in three of the four years. That is a positive thing.

The confidence one is the other area. Again, it is for a future Mayor whether they believe that public confidence should have a performance target, but we certainly felt that it was important for the MPS not only to cut crime but also to maintain the confidence of London's communities.

**Valerie Shawcross CBE AM:** The point, Stephen, is that, yes, we know that the new Mayor will come in, will go through a police and crime planning process and will publish a new Police and Crime Plan with new sets of targets. However, you are setting a budget here and I would have thought that there would be associated with it some performance targets. Essentially, what you are saying is that the MPS will be functioning by running on empty, in a sense, in terms of its targets until the new Mayor has actually managed to set the overall performance targets. Does the budget have an implicit performance target in it?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** You are right to say that we do not want to have a sense of a rudderless ship going into an election and that is always a danger. What we can do with an early annual report is to set up a strategic ambition for the MPS around crime and confidence, certainly. That would be something that I would be very keen to do as we enter the purdah period.

For instance, we know that there have been significant successes in tackling gang crime, but setting a strategic ambition for future years around a reduction in gang violence and finding a way of measuring that would be a good thing to do. We can set that as a challenge. There has been some very good work with colleagues in the GLA unit creating an index looking at the level of gang violence in the capital using seven markers and creating one single number. That shows that there has been a sustained reduction since 2011 but in the last year a very slight rise. Overall, gang crime is down by about a quarter if you look at that single number. It went from 16 to 11 and is now up to 12. I would say that we should set a strategic ambition. Why should that not be a single number at the end of the next mayoral term moving from a 12 to a 9? You could do that.

You could set some ambitions around new forms of crime - tackling fraud, for instance, which we accept is going to be an increasing ambition - and then realistic ambitions around neighbourhood crime. That is right.

**Valerie Shawcross CBE AM:** In terms of this budget, there is not going to be an associated crime reduction target to carry the MPS forward until the new Mayor's plan comes in?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** The current Police and Crime Plan does refer to covering 2016/17 as well.

**Valerie Shawcross CBE AM:** All right. It is there?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** When it was published originally, it was always envisaged. That gives the flexibility, I would suggest, to whomever the incoming Mayor is to say either, "I am happy with that approach and direction", or, "I want to move it in another direction or to another focus".

**Valerie Shawcross CBE AM:** All right. That is a visible target?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** It is.

**Valerie Shawcross CBE AM:** On the issue of public confidence, I am not on the PCC but it is not clear to me what tools you thought you had to improve public confidence in that timeframe by such a significant amount. However, from what I am seeing from the data that we have been given on the independent police crime survey, it has basically just been stuck. It has been stuck at about 61% or 62% and public confidence is not going up.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** No, not universally and it is --

**Valerie Shawcross CBE AM:** What are the drivers of that and why did you think you could be so confident about it?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** There were a range of drivers for it. There are some quite tactical things you can do around public confidence. It is interesting that when you look at public confidence at a borough level, something different has happened at borough level. You have some boroughs that have seen some quite big increases in public confidence and you have others that either have not moved or have gone backwards.

There is a range of things around the outcome of local service delivery. We know that one of the things that affects public confidence is whether the police do what they say they are going to do and whether they are effective in doing it. There is something around procedural justice.

The other one that has moved in a different direction - and we do not really understand why - is satisfaction, which has risen. When you interact with us a service, satisfaction as a user has risen. Public confidence has not. If you ask me when we talk to an incoming Mayor if we would use that indicator again, I would say that you need to think about the bits that are going to work collectively with it.

As the Deputy Mayor touched on, if you look at the work that we did with the RSA and other things like public safety indexes and some of those, there might be something that is more nuanced as we move forward so that we can work out what is happening at a more granular level.

**Valerie Shawcross CBE AM:** It is more usable.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** If you look at the MOPAC Dashboard on confidence, it is really useful to look at it on a borough level and see two boroughs - and you all

have your own views of boroughs - that you think are similar in workload and demand, but what is happening with the confidence is quite different. Trying to get below that has become more of an art form at the moment than a science.

**Valerie Shawcross CBE AM:** You are saying that you need to dump this big bucket performance indicator and --

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** I do not agree with 'dump'. It is whether you have it as part of it. In an ideal world, one of the things that we have started to use a lot more internally in the organisation is a balanced scorecard and that is one part of the indicators. Rather than just saying that there is one indicator that you are aiming for, have something like that as part of it with a range of other bits of data that are now much more freely available.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** The confidence measure is confusing because there are just so many measures of confidence. We chose the Crime Survey for England and Wales. It is a small survey. I do not know the precise number but it is a fraction of the number that is surveyed as part of the Public Attitude Survey. Whilst maintaining broadly flat at around 62% over the last four years, the MPS has risen inexorably up the league table. I do not know where it is today, but when I started it was something like the twenty sixth or twenty seventh or twenty eighth. In the Public Attitude Survey, which is the largest survey, confidence has risen from 62% to 67%. Indeed, confidence in the MPS brand measured by the Public Attitude Survey, rather than local policing, has risen from a low of around 58% to around 67% or 68%.

**Valerie Shawcross CBE AM:** Have we been briefed to challenge that 67%? The data that we are looking at is from the independent Crime Survey for England and Wales and that has not budged at all.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** No, they are two different surveys. I am making the point that when you talk about confidence you have one --

**Valerie Shawcross CBE AM:** No. Maybe you need to go away and get your strategy straight on this because we are hearing different things. One is that we chose, really, the wrong basket of --

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** No, it has a part to play, but actually making it move and understanding it is complex.

**Valerie Shawcross CBE AM:** If it is not going to be extremely useful, then why headline it for the budget? It has been.

**Mayor John Biggs AM (Chairman):** With respect, of course, we are in the dog days of these indicators, I guess, and the next Mayor will need to think up some new ones.

**Valerie Shawcross CBE AM:** It is useful to hear that there is a very thoughtful critique of what is useful and what is not. It would be good to know that that is going to be operationalised and put into the hands of the new administration.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Already we have operationalised public confidence down to a neighbourhood policing level and we measure public confidence now in ways that we could not do before. We compare neighbourhoods on a similar basis and we have borough confidence levels and we will have a London confidence level.

**Mayor John Biggs AM (Chairman):** We are assuming in terms of getting the performance regime up and running with a new Mayor in post that part of the transitional arrangement the Authority has with the mayoral candidates and their teams involves conversations with MOPAC and possibly even with the MPS about how this might work. We do not really need to know about the detail of that for obvious reasons, but we do need to be reassured that that is happening so that we are not going to have an interregnum --

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Can I just reassure you? You have talked a lot about what I would call the very high-level Police and Crime Plan. There is a performance regime running all of the time, 24 hours a day, 365 days a year. I would not like anyone to go away with the thought --

**Valerie Shawcross CBE AM:** That was a strategic objective that was set publicly in April 2013 and was associated with a budget, which is why you have encouraged us to come back and revisit that and that is what we are doing.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** No, I just wanted to reassure you that there is a performance regime — up and running. I didn't want you to think there was an interregnum.

**Mayor John Biggs AM (Chairman):** One of the great successes of creating an accountable police service in London has been to introduce a far more transparent and rigorous approach to that than we had before when it was part of the Government.

**Rebecca Lawrence (Director of Strategy, Mayor's Office for Policing and Crime):** If I may just add, this is a consequence of the legislation in the Police Reform and Social Responsibility Act 2011 that every Police and Crime Commissioner is facing in the country. They have a Police and Crime Plan that covers the 2016/17 period. The legislation makes clear that when in London's case there is a new Mayor and Deputy Mayor and in the rest of the country a new Police and Crime Commissioner, they produce a new plan and they consult on a new plan in London's case, supported by MOPAC. The current regime parachutes over to cover that period. The rest of the country is approaching it in a similarly pragmatic way.

**Mayor John Biggs AM (Chairman):** That was helpful because we are forgetting that the rest of the country is wildly excited about their impending Police and Crime Plans.

**Jenny Jones AM:** A lot of us around this table did think that it was a ludicrous aim to improve public confidence by 20% and I am gobsmacked that the MPS allowed it to happen.

**Joanne McCartney AM:** It is a political target.

**Jenny Jones AM:** It is a political target. Why did you let the Mayor promise it? Honestly, you know better. It was --

**Mayor John Biggs AM (Chairman):** I do not think that Mr Mackey can really answer your question.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** No, it is not their responsibility.

**Jenny Jones AM:** He was there. He was part of the MPS.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** It is the job of the Mayor and the Deputy Mayor to set the performance ambitions for the MPS.

**Jenny Jones AM:** Yes, and to be naïve and ignorant about it. I blame Mr Mackey, actually. He was there. He could have --

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Why would the MPS not want to increase public confidence? Why would you not want to increase confidence in the MPS?

**Jenny Jones AM:** Of course you would, but this was a totally unrealistic target right from the start.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Why?

**Mayor John Biggs AM (Chairman):** Let us pull this together and move on. We note that next Tuesday we are going to have our beloved Mayor in front of us and we can ask that very question of him.

**Jenny Jones AM:** Good.

**Valerie Shawcross CBE AM:** Yes, it will be useful to do that.

**Jenny Jones AM:** We will blame him then.

**Joanne McCartney AM:** I am going to ask about the One Met Model. Up to date, that is what it has been called. Going forward, you have tacked the number 2020 after it and it is now going to be known as One Met Model 2020. To date, this model has made changes to the Local Policing Model, centralised support services and reduced police staff. Some of these we have talked about already.

What is going to be different about the new model? What will it look like? How will it deliver financial savings?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** One of the areas we focused on we have talked about before. We think it is an aspiration to try to get our back office expenditure to 15% of our gross revenue expenditure. That is not based on some number plucked out of the air; it is based on benchmarking across policing and also looking increasingly at what some other parts of both the public and the private sectors are achieving. We are, basically, trying to make sure that we spend as much of our money as we can on delivering policing outcomes for the people of London. If we can get to 15%, there is potentially up to about another £300 million in savings in the organisation to get to that. We would both think that that is quite hard to do. It is quite easy to say; it is actually quite hard to do. However, it is a reasonable aspiration to have. That is the back office.

There are three big blobs of service that are being reviewed at the moment. We are looking at our detention and custody command, effectively. We created a separate command about two years ago in relation to custody. At the moment, we are slightly overprovisioned in terms of custody capacity and certainly at times we do not deal with peaks and troughs in the way that we currently need to. It is about whether the service model is right in there and whether we have the mix right between detention staff and custody sergeants and all of those. We are having a look at our custody command.

The other area we are looking at again is intelligence. You will be aware that we centralised a number of the intelligence functions early on. We get a mixed view on that. Boroughs do not like it. Some other parts of the

organisation like it. When you ask everyone what they would want to change, it is much harder. We are looking again at intelligence to ask if we did it in the right way, whether we have things where we need them, whether it is right as a central resource commissioned out or whether it should be delivered in a different way.

The other area that is quite high expenditure at the moment and that we are just looking at to see whether we are actually achieving the right efficiencies around it is forensics. If you look at what we spend on forensics, we spend a lot of money on forensics and sometimes we do not always get the returns for it. Does it flow through into the criminal justice system? Are we making the right choices around that? There are three big areas of review there.

Then we are looking at what we do around, what I will not call 'local policing', but how we structure what sits above local policing services. In London, as you know - you came to one of the events - we have spoken to a number of London leaders, we have spoken to chief executives and we have spoken to organisations. Everybody gets the importance of the local. However, how do you structure and at what level do you structure above that keeps both accountability and responsibility but is also at a size that allows you to deliver the services?

One of the big areas we did during the first round of transformation was to look at demand in some detail. I know that it shocked some people when we looked at this issue about how borough boundaries affect behaviour. Often, borough response times are at their lowest right on the boundaries.

**Joanne McCartney AM:** I have constituents who always say that at the bottom part of the borough.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Some of the things that we have seen as a real strength about identifying people with boroughs has created at times psychological or organisational cultures that are not helpful. What we have been doing is modelling what a bigger delivery unit would look like and monitoring response policing in a different way.

We know from our colleagues outside London that we are not alone in doing this sort of thinking. There are some force areas that have gone to a formal live response model. For a whole variety of reasons, we would not do that. It creates what I can only describe as a bit of a 'chase the football' type of mentality in relation to the next call for service. If you talk to colleagues in fire and ambulance, there are different ways of modelling response that would provide a better service for Londoners. We are looking at neighbourhoods and how we model response.

The other big one in there that we are reviewing at the moment - and certainly from our conversations with local authorities it is very welcome - is the whole response to protecting vulnerable people. You will be aware and we have listened long and hard to the feedback that says, if you go into a family environment and you deal with domestic abuse, it stays in the borough. If that domestic abuse also has some impact on a child and if it has a more serious sexual crime as well, you can end up with three different parts of the MPS dealing with the same family. A local authority would say, "Who do I actually talk to?"

We have started from first principles. In fact, I have a meeting this afternoon with a number of colleagues from local authorities to talk about how we could do protecting vulnerable people differently. I will not pretend to you that we know the answer to that. We have all wrestled with that for a while. Do you move some of the stuff that we currently have at the centre closer to a local point of delivery and tie it much more in with borough-based child protection issues and those sorts of things? There is a whole variety of models. That is what we do at the front end of the services.

Then, if we get into specialist crime investigation, one of the big challenges at the moment is growing the number of detectives as an organisation. Everybody has demands for detectives. If you say that there is an area that United Kingdom (UK) policing - we are not alone in this - is struggling with, it is growing the quality and numbers of detectives. We are doing a piece of work in there around clear pathways for how we train and grow detectives to keep the organisation going not just 12 months from now but 12 or 15 years from now. Where are the next senior investigators coming from? That is happening in the specialist world.

There is then a whole separate piece - I am conscious of time - that we could talk about, but I will not go into it, in terms of the work that is going on around CT and making sure that that is spent effectively.

**Joanne McCartney AM:** That last stuff about the structural changes we do not have time to go into now, but obviously that will have huge implications for local authorities in particular.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Yes.

**Joanne McCartney AM:** I know that you are having lots of informal talks, but are you proposing to do any public consultation or to put anything out there? I asked at the PCC if we could have an options paper so that the public and we can look at it. Is that something that you will do?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** When we get to that point. What we are not doing is rushing. The Deputy Mayor touched on it. One of the advantages that the change in the settlement gave us was that we do not have to go at these at full tilt. It was one of the criticisms that was made of us three or four years ago. We are spending a lot of time talking to local authorities, chief executives and leaders and saying, "This is what we are thinking. Can we agree a set of principles?" I would envisage that it would be June or July 2016 as we develop all of these --

**Joanne McCartney AM:** Having followed the Police Funding Formula changes and the Government developing a set of principles that no one then liked, a set of principles is fine, but what it delivers is a different matter.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** You will know that I have sat in a number of those rooms now and I have 32 colleagues as chief executives. There are 32 views from people who like existing borough boundaries --

**Joanne McCartney AM:** It is just about being transparent and setting out what they asked --

**Mayor John Biggs AM (Chairman):** Are you doing this as a starting point, then, on a revenue-neutral basis?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** No. There is money to save there. We have managed to save on overheads and costs. We have had this conversation - sorry - before the PCC a couple of times. When you look at some of our current boroughs, even at the level they are at now, they would struggle to be sustainable three to five years out. When you get to a borough that has 300 or 400 officers, it is at the small end of having a management structure that costs what it does on top of it. We can ignore that and we can all say, "It is a positive choice. We will all keep that cost", but we just think we ought to look at that and come up with options.

**Mayor John Biggs AM (Chairman):** Obviously, there are political bottom lines there and so there may be some mayors who would say, "Over my dead body will there not be a Borough Commander" or whatever.



**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** That is about what it is that you like about the Borough Commander. It is the point of accountability --

**Mayor John Biggs AM (Chairman):** That goes back to the point about clarity on objectives and --

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Yes, and you know the 32 London boroughs better than I do. They are not all the same. They are very different in size and scale and challenge. London is also changing in terms of its demographics. We have a structure that was built 10 or 15 years ago.

**Mayor John Biggs AM (Chairman):** All right. There is an elephant in the room, of course, currently called Boris. The Boris elephant says that 32,000 is a sacred number. The next elephant may not have quite the same attachment to quite the same number.

**Joanne McCartney AM:** Can I just go back to some of the first things you said as well? I am glad that you will be putting some more information out about detention and custody, which could have big savings. This is a bit like National Health Service (NHS) beds and people being taken to where there is a bed or a cell.

My local station, Edmonton, proposes now to close the custody there and to transfer it to Wood Green. I have been told that that will happen in about March or April 2016 time. There will be a big change across London in custody and the new plan will come into place. Is that correct?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** I have not seen a custody plan yet.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** No, there is not. On the custody plan, we should get a first report this month --

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** A first draft, yes.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** -- but that will be an interim report.

**Joanne McCartney AM:** Will that be made public? It would be useful to see about the savings that are in that.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** At the point we make a decision, then, obviously, yes. We can have a look with you specifically about Edmonton and Wood Green. I have not seen that one.

**Joanne McCartney AM:** OK. That is what I have been hearing. We will see.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Is it linked to a police station closure?

**Joanne McCartney AM:** I hope not because Edmonton is my own local station.

**Mayor John Biggs AM (Chairman):** Let us not get too operational here.

**Joanne McCartney AM:** That would be useful. Can I ask then about the balance between police officers and civilian staff? We have all wanted to keep police officer numbers high and that is important particularly about resilience. Similarly, we want to retain PCSOs and we have made comments in the past about how, if you reduce staff so much, what you then end up with is police officers forced into doing those back-room jobs. HMIC has recently said that there is some danger in doing that and has highlighted instances where that has happened. How will this new model deal with that?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Part of it is because it is a designed model rather than an evolved way of policing. Some of it, when we look at it, is about making sure that the person we are putting in a role is right. Do those skills require a warrant card? Do they need to be a police officer? Is there a different mix of skills that will work? One of the areas we are looking at is in the investigative model. We are actively looking at those more complex investigations. Could we have a different mix of people in them? I genuinely do not know the answer to that until we do the work, but we absolutely have to look at all of those things going forward.

The challenge will also always be with London though - and the Commissioner was very clear on this as we talked through it - that there is not a great science that says it should be 35,000, 36,000 or 37,000. However, once you go below about 30,000 in London, it becomes very difficult to manage the complexities of demand. If you look at New Year's Eve, what we did was a tremendous achievement by the people who came out. You have to be able in London, in a way you do not in other parts of the country, to stand up thousands of officers not quite at a moment's notice but within a very short period of notice. You either have to build a very small police force that has incredibly flexible people who are multi-skilled and therefore very expensive, or you have to have officer numbers. There is no easy way through that.

**Mayor John Biggs AM (Chairman):** Except that, as we keep reading about in the paper, if I am being robbed on the internet I do not really care whether the person detecting that has a uniform on or not, although in the end the person who arrests that person probably should have one.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Yes, I would absolutely agree with that.

**Mayor John Biggs AM (Chairman):** It might be 32,000 somethings --

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Yes, but that person who is doing that investigation is no use to you when you need a uniformed presence on the streets at New Year, at Notting Hill or in the latest raid that comes up when you need to mobilise people. That is the balance, always.

**Joanne McCartney AM:** The resilience issue is a big issue. It is one that I accept. One of the greatest threats at the moment is the threat from terrorism. We have had in the last couple of days the report that the most recent Islamic State (IS) video is from a man in London who was on bail, skipped bail and went to Syria. What strains does that sort of activity put on policing? Will that strain on the budget grow, do you see?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Sadly, that demand is not going to go away. That terrorism challenge is going to be here for my generation and the generation of police officers who come after me, sadly. It does impact on us. Post-Paris, we talked quite openly about some of the measures we have put in place about providing a protective patrol and reassurance in London, which is a crucial part of what we do. That is part of the reason for having resources to flex.

You asked earlier on about the CT budget and it has grown by a couple of per cent overall. We will need to see what that is but I know that if Mark [Rowley, Assistant Commissioner, Metropolitan Police Service] was here and if he were talking about some of the things going on, he would say that the volume of those proactive investigations is growing. That is going to be very much part of being a national and international capital city.

**Joanne McCartney AM:** You have said in the past that they are very labour-intensive as well.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** They are hugely labour-intensive and, without going into great detail, you have to have a different tolerance of risk than you would have if you were doing serious and organised crime because we cannot tolerate any risk around the threat of terrorism.

**Mayor John Biggs AM (Chairman):** If one were, for example, monitoring the internet in order to try to find people who are planning those things, then that is something that has already been largely lost to London. It is carried out at places like the Government Communications Headquarters (GCHQ), is it not?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Without going into detail, there are a whole range of things done at a number of levels.

**Mayor John Biggs AM (Chairman):** It is a fuzzy boundary issue again?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** I am not sure that it is fuzzy.

**Mayor John Biggs AM (Chairman):** Again, I would not really care whether the person monitoring the internet had a police uniform on or not. It returns to this question. This is my last budget as an Assembly Member, which is a relief in some ways. A point I have droned on and on about is moving toward some sort of measure of policing capacity that does not require the person doing it to have a uniform on at that particular time but to have the capability to help make London safe. People would subscribe to that as a principle.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** That is helpful. People have struggled to get to that.

**Joanne McCartney AM:** The other thing that the Committee is concerned about - and John did write prior to this - is the detail of One Met Model 2020. There has been nothing coming in writing to us. It would be helpful if that could take place.

**Jenny Jones AM:** Going back to this workforce issue and civilian posts, it is true that the HMIC found that MPS police officers were diverted away from their primary roles and used for tasks that police staff would normally have undertaken. One of the things that we have discussed many times is the fact that police officers are not necessarily suited to civilian posts. It is not only about skills; it is also about temperament. Most people do not join the police force to sit in a back office. They want to get out and do things. Are you sure you have this right?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** I am as comfortable as I can be at the moment. Can I give you a guarantee that if we cannot find --

**Jenny Jones AM:** I am not asking for guarantees. Do you really think that getting rid of all of those police staff or not recruiting new police staff was the right thing to do?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** All those changes we made in round one about driving cost efficiency differently to invest the money in frontend policing were absolutely the right choices.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** The measure of the number of police officers in the back office --

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Has fallen.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** -- is down. It is now 2.5% and it was higher. Well over 1,000 officers were in the back office and we are now at about 774.

**Jenny Jones AM:** When was it higher?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** In 2012 there were well over 1,000 officers in the back office. 'Back office' is described as those performing support services such as finance, IT and HR. It is now 774 and I have the old figure but it was well over 1,000.

**Jenny Jones AM:** Basically, you introduced the measure and the number of police officers doing backroom jobs did rise but now it has fallen?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** No, it has fallen remorselessly.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** It has fallen over the last four years.

**Jenny Jones AM:** All right. I wanted to go on to the rank mix. You promised to do that in the original One Met Model.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Yes.

**Jenny Jones AM:** What progress has been made on that?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** I will quote you figures that might help. I can give you these. If you look at our sergeants, when we started the process, in the 2012 HMIC data - I can probably show you visually - on all of these, we were right at the wrong end of the graph. We have now moved on all of them. Our average constable-to-sergeant mix at the moment across the organisation is just under 1:6. In some areas it is 1:9. The forces we usually measure ourselves against, the other large forces, are about 1:5 or 1:5.4. On superintendents and chief officers, we are now the best in the country.

**Jenny Jones AM:** Best in terms of a lower ratio?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Lowest ratio. Where has that caused some pressure? It causes some pressure. If the Superintendents Association were here, they would say to you that some of those jobs now are very big jobs. If you were talking to the commanders, they have some large portfolios of work. That is why with some of these key areas we have linked this to training. We have spoken in the past to the PCC about the Leading for London training and some of those sorts of things. That is about equipping people to cope with new roles.

**Jenny Jones AM:** What about the higher ranks? There has been debate about taking out --

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** That is still a live debate. There is a debate at the moment with the Home Office about whether we need a change in legislation to do it. We would argue that we probably do not but that is a live debate at the moment in terms of where we go. In the announcement nationally for chief officers, I forget the exact figure but we were basically 50% of the loss of those. If you look at our deputy assistant commissioner (DACs) and commanders, there are a lot fewer than there were in 2009 and 2010. We have reduced posts. We have gone along on that.

**Jenny Jones AM:** Sorry, there are fewer DACs and assistant commissioners?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Fewer commanders.

**Jenny Jones AM:** All right. Thank you very much.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** The significant factor is that 50% of the Association of Chief Police Officers (ACPO) reductions nationally --

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Came from London.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** -- came from the MPS.

**Jenny Jones AM:** Thank you. It does seem to me that it is much less specific, your new One Met Model. There are fewer specific measures in it. Is that just that you have not developed them yet?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** It is the timing. The One Met Model was designed when we started on this to take 40% out. We have to remodel some of it.

**Mayor John Biggs AM (Chairman):** Are you happy, Jenny?

**Jenny Jones AM:** I am never happy about the police but I have finished my questions, if that is what you mean.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** That is the best you will ever get from her.

**Jenny Jones AM:** Since you arrested me, I have never felt the same.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** You addressed that at me. It was not me!

**Mayor John Biggs AM (Chairman):** You should do it more often!

**Richard Tracey AM:** With all this talk about funds and so on, is the MPS still looking at accessing private funding for any areas of policing? I know a good many local authorities do not like the idea but there are various commercial companies and indeed business improvement districts (BIDs), apparently, in some parts of the country where they are paying for police officers.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** We certainly do. You will know the relationship we have with TfL and some London authorities. Absolutely. There is a lot of talk in London about a particular part where people have crowdsourced a BID or something like that. I have not seen anything yet on that. You ask me every month on that one, Chair, in other places and I have not seen anything on that yet. Clearly, we would look at approaches when they come in from other people.

One of the interesting areas - and I have said this before with the Deputy Mayor for Policing and Crime and others - is the whole world around cyber and how much, perhaps, industry ought to be doing in that space and how we collectively fund it. There are all sorts of ethical things you would have to work through but I just wonder when I look at that space, which at the moment feels fairly unregulated, whether there is potentially a different model we could do there.

**Joanne McCartney AM:** John, could I just ask if you could write about ex-officers and whom you hire them from?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Yes.

**Joanne McCartney AM:** It would be quite useful.

**Valerie Shawcross CBE AM:** A couple of years ago, as you will remember, we did a piece of scrutiny in this Committee on technology in the police service, procurement and the rest of it. One of the very clear messages that came out of that was to not get dazzled by technology, know what you need and get what you need in order to do your job properly. It was good old-fashioned management.

One thing we noticed is that you have signed off a £45 million deal with Atos to manage your information communications technology (ICT) infrastructure and your subcontracts before you finalised the One Met Model. How was that possible? How does it work for you to do that?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** How do the two link together in terms of the work around it?

**Valerie Shawcross CBE AM:** Is this not cart and horse in the wrong order?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** No. It is important that the integrator is not the whole of technology development. It is the core services, our networks and what they now call end-user devices - in my language, a laptop, a mobile or whatever you use to access - and it is data warehousing and where we keep our data. It is a number of specific towers of services that it is linking through, not the whole piece of technology.

There is still an MPS level of management and intelligent client functioning technology that is around both driving the technology strategy and owning it, and particularly a part of the organisation that is still being structured around which applications we use. Applications are a key part of this going forward. The key part of the MPS 2020 model that we know going forward is that increasingly we are looking - in my simple language - at getting data and information closer to the point of delivery, into someone's hand, into a vehicle, into a remote station or into remote access. We know that is a way of working around it.

We are also crystallising and minimising the number of applications we have. When we started this piece of work we have over 500 separate applications we were trying to maintain and service. That is unsustainable for any organisation. We are rationalising apps and rationalising the technology we do. We are buying

predominantly, where we can and where it works, commercial off-the-shelf services - COTs, as they call them - and not getting into the MPS developing its own entire base systems. All of those principles had been agreed before we did that SIAM towers piece of work.

**Valerie Shawcross CBE AM:** This is part of the delivery of an overall strategy?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** It is.

**Valerie Shawcross CBE AM:** We are obviously very interested in the efficiencies and effectiveness of police officers on the ground, and one of the aspirations was to have good, useful and practical mobile devices. What is happening there? How are you doing?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** We have done the work with - as you will remember we talked about last year - Hammersmith and Fulham, which was one of the pilot areas. We used a particular type of software and an application around that. We start a Lewisham pilot after Christmas. Lewisham is the next one that we are doing in terms of work around that and that is trying a different end-user device and system. We are testing the two.

Running alongside that, hopefully before there is a change in Mayor, the work will come through on our business case to roll out mobility wider in terms of the costs. There are some real cash savings in doing mobile but there are also some costs. We have to make sure that the business case stands on its own two feet. In crude terms, we used Apple in the Hammersmith pilot and it is a Windows-based product we are doing in the Lewisham pilot to check which works best.

**Valerie Shawcross CBE AM:** Do you think there will be a strong business model?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** There is a business case and I can make all the business case things. For me, it is about lining up the money and the productivity savings and how we use those.

**Valerie Shawcross CBE AM:** You had a project cull?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Yes.

**Valerie Shawcross CBE AM:** Is that what you were referring to with the reduction of apps?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Yes. I can give you a list probably outside of here. We have too many projects and programmes in the technology space because every time someone comes up with a problem they are convinced there is a technology solution to it. The difficulty is that if you do not control - in simple language - what is going into the hopper, you are never going to get anything out of the bottom of it. It was about culling some of that.

**Valerie Shawcross CBE AM:** What broadly were the criteria you were applying?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** We used business criteria and we used also technology criteria. How far were they along the pipeline? Was it just that literally someone had come up with a bright idea that they were going to write a business case for or were these things that we were turning on in the server room? We did quite a detailed cull process to go through it. Then we went to all the senior responsible officers and all the assistant commissioners who owned particular projects and said, "Is

this one going to deliver? What is it going to deliver and when it is going to deliver?" As you always find with programmes of that size, you also have some that have been overtaken by the technology.

**Valerie Shawcross CBE AM:** OK. How has it been possible to reduce staff so significantly in the digital policing programme and yet deliver all this thoughtful change?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** It is important we are not through that process yet. You are referring to the 100 from 800?

**Valerie Shawcross CBE AM:** Yes, 800 down to 100.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** We talked about the SIAM towers service. We use that language. Some of that is outsourced to a contractor service and so the 100 is an intelligent client. What you are comparing it to in the past is effectively almost 800 people delivering all of those services. It is a different mix of service and cost.

**Valerie Shawcross CBE AM:** Those functions have been transferred out of --

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** You had a blob sitting on a blob. You had the MPS IT sitting on top of Capgemini, which was a very inefficient way of doing it.

**Valerie Shawcross CBE AM:** Yes, I understand what you are saying. You still need a good, intelligent client, though.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** A good 100 people.

**Valerie Shawcross CBE AM:** OK. What about tracking all of this? Can you ensure that the technology savings and the change that is going on is reported quarterly so that we can see it at the Committee and track the progress that is being made? We know there are big risks, big zeros and mistakes made in the public sector and so on. Is that something that we can expect to see?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** We would be quite happy to. We can do that, yes.

**Valerie Shawcross CBE AM:** Yes, OK.

**Stephen Knight AM (Deputy Chair):** My questions are around commercial strategy or 'outsourcing strategy' as it might more accurately be described. Perhaps I can start off with Stephen for the first part of this question.

Given the MPS's new financial position - rather better than it had thought - do you think the commercial strategy should be paused until the MPS improves its in-house commercial expertise? This is in the light of concern that people like the National Audit Office and so on have expressed around whether the expertise is there to effectively outsource services, particularly in the police forces around the UK.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** The strategy is the right approach and I do not think we should pause. We have moved very slowly. When you think about it, you have more than 10,000 staff who could be in scope for some form of competitive tendering and the only deal that has been signed covers a little over 400 members of staff covering HR, finance and procurement. That is the Shared Services



Connected Ltd (SSCL) deal, which will save around £100 million net over ten years. We have not exactly galloped at this. It is that the right strategy and the implementation has been relatively slow, I would say.

**Stephen Knight AM (Deputy Chair):** We are always told that things will save X hundred million pounds over X period. These are ambitions to save these sums of money, but they are always asserted as a definite. Anybody who knows anything about outsourcing strategy --

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** With the SSCL the MPS saved 30% of its costs before outsourcing and the outsourcing will save a further 30%.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** We outsourced from 1 October 2015 and so those savings kicked in from 1 October 2015.

**Stephen Knight AM (Deputy Chair):** You are talking about the SSCL contract?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** Yes.

**Mayor John Biggs AM (Chairman):** You are passing the risk of this on to your successors though, are you not?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** No, because the contract means that they have to deliver those services at that price. They have already delivered savings in advance.

**Mayor John Biggs AM (Chairman):** When the son of Stephen Greenhalgh comes here in 12 years' time and says it did not achieve £105 million of savings, he will say, "It wasn't me what done it". We have been there before.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** In the first part of the commercial strategy there were what were termed the '007s'. There were seven areas that were originally looked at. Some of those we have talked about a little bit before. For the facilities management contract we are banking that £10 million a year in savings. We have done the deal on the SSCL, we have done the deal on the national uniforms and we are looking at fleet. We have catering coming up as well and we are just in the last throes of all the different towers around ICT.

Overall what that has achieved and is achieving is in the region of over £50 million a year in terms of budget savings and so it is considerable. It is something that we need to keep looking at. I completely agree with the point that we need to keep on top of these contracts and manage them properly, absolutely.

**Mayor John Biggs AM (Chairman):** I have found a use for Ed Miliband's [former Leader of the Labour Party] granite block. We can put all these words on it and it will be preserved.

**Jenny Jones AM:** It is good that you can joke about that!

**Stephen Knight AM (Deputy Chair):** We can all trade figures about what the expectations of savings are, but we do not know what the savings would have been had it not been outsourced and we do not know whether it will be a sustainable or whether we will have what happened to the Department for Business, Innovation and Skills (BIS). It pulled out of the contract two years in because it was not sustainable. We do not know if any of these things will happen in the future.

What we do know from a strategic point of view is that all the expert advice on outsourcing says that you should go for short, flexible contracts and that you should have lots of commercial expertise so that the in-house team understands the service being delivered as well as the outsourced team. We know that in the MPS's case that is not happening. You do not have the expertise in-house and at the moment you are signing contracts for seven to ten years for things like finance and HR with no justification, certainly going against the Government's advice about short, flexible contracts. In strategic terms, are we sure we are getting it right?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** Can I just clarify? The SSCL contract is a Government contract and so I am not sure how that is against Government advice.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** I am not sure how we are going against the Government.

**Stephen Knight AM (Deputy Chair):** It is a contract with a commercial entity, is it not? It is jointly owned between Sopra Steria - which is a French company, not Government-owned - and the Cabinet Office.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** It is partly owned by the Cabinet Office and so this is part --

**Mayor John Biggs AM (Chairman):** That does not mean they are any good though, does it?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Put it this way: it is a structure that has been formulated by the central Government and is being used by numerous agencies and Whitehall departments to save money. The point is what we can --

**Stephen Knight AM (Deputy Chair):** One of those Whitehall departments has, in the last couple of months, withdrawn from its contract with the same entity after two years because it was not delivering and, in its own words, was 'problematic' and 'no longer viable'. How do we know we are not going to be in the same situation as BIS and find that this contract is not going to work in two years' time?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** We can talk about where we are at the moment. As I say, we went live with the SSCL agreement on 1 October 2015. We have been pleased with the service that we are getting from it. We have had no issues around the invoice payments, paying staff and so on. All of that has worked well. Where we are at the moment with it is working on the redesign in terms of the new systems that we will look at for future years.

Cost savings was not the only driver. One of the issues for us as an organisation in terms of looking at an external provider for this service was, as we have just been talking about, some of the IT provision that we need. Organisationally, we are looking to use a piece of IT provision for those services that has been specifically designed for police forces and used by another six forces. It is something that is proven.

**Stephen Knight AM (Deputy Chair):** This is another thing that the National Audit Office have been very clear about. Those people who are outsourcing services should understand very clearly where the savings they are promised by providers are going to be delivered and how they are going to be delivered. Do you understand that and can you explain to us in simple terms where those savings are going to be delivered and how they are going to be delivered?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** Yes. I suppose it is the difference between what we could do as an internal function in terms of generating savings and the SSCL offer.

The savings are mainly derived from two areas. One is the IT provision. It is providing something that is suitable for lots of other organisations. It is comparing buying a piece of kit on your own and buying that service through a company that is servicing a number of companies. That is where one part of the saving comes from. The second bit is that the staffing for this service will in future be driven out of Wales and other shared service centres rather than central London. Those are the two main drivers of the costs in terms of this contract.

**Stephen Knight AM (Deputy Chair):** If the MPS had decided to shift a lot of its staff to south Wales, it could have made the same savings itself?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** It could not have made all the savings. There are two issues. It is not simply about some of the cash savings. In terms of our ability to develop and deliver a workable enterprise resource planning system, given all of the conversations we have just been having around IT and the pressure on our digital policing service, that was another quite important factor for us to think through.

**Stephen Knight AM (Deputy Chair):** OK. Presumably you have looked at why BIS has withdrawn from its contract with this provider and what went wrong with the contract. Could you tell us what is different in the case of BIS and why BIS went wrong and the MPS will not?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** I do not think BIS has fully pulled out but we perhaps have slightly different information on that.

**Stephen Knight AM (Deputy Chair):** That is not what we have been told.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** There are issues that some of the Government departments have had with the bills with some of the IT partners that SSCL has been using. There are 16 or 17 main departments using this service and there had been quite a delay in terms of the IT partner that SSCL had been using to get all of that on track. There have been delays. That contractor, Capgemini, happened to be part of the conversation that we had with SSCL as part of the due diligence. We did not want to be number 18 in that link. It has developed a partnership with a new IT provider - in our case it is Fujitsu - where there will not be the same sort of issue.

**Stephen Knight AM (Deputy Chair):** Effectively, because they were all using Capgemini, Capgemini was not able to keep up?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** That has been part of the --

**Stephen Knight AM (Deputy Chair):** As part of this contract you are getting IT from somebody else.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** As I understand it - correct me if I am wrong, Lynda - the idea for SSCL is that policing is a market effectively in and of itself and that there is a platform you are using.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** It is a separate platform.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Therefore, it is a separate provider. It is interesting that the BIS contract has fallen through and you are right to raise it, but equally we spent a considerable amount of time going to the Environment Agency, the MoJ and other areas where it is working well and at different stages of development. You are right to be watchful about this. Certainly my counsel to the MPS has been and continues to be not to race to using this as a vehicle until it is proven to deliver what it says it will deliver for this first stage. That is very important. It needs to deliver those savings first.

**Stephen Knight AM (Deputy Chair):** When you say not to race, do you indicate pace?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** There are other areas you could potentially look to outsource using this vehicle but you should not necessarily do that until it delivers what it says it is going to deliver. We are not at that stage yet.

**Stephen Knight AM (Deputy Chair):** OK. You do not think we are likely to outsource any further areas of the back office between now and the election?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Between now and May 2016?

**Stephen Knight AM (Deputy Chair):** May 2016.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** No.

**Stephen Knight AM (Deputy Chair):** You are not looking to make any further moves?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** No.

**Stephen Knight AM (Deputy Chair):** OK.

**Mayor John Biggs AM (Chairman):** Jolly good.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Is there anything else we are doing?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** The fleet contracts.

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** We have fleet and catering.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Yes, sorry. That has already been in place. That is a continuation of an existing --

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** Yes.

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Potentially. We do not know --

**Mayor John Biggs AM (Chairman):** You are all happy?

**Craig Mackey QPM (Deputy Commissioner, Metropolitan Police Service):** Yes.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** That is not a new area, though, and that is the question. You are saying, "Are there new areas you are looking to outsource?"

**Stephen Knight AM (Deputy Chair):** Yes, any new areas you are looking to outsource?

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** No.

**Mayor John Biggs AM (Chairman):** Have you structured your contract with SSCL in a way that allows you to terminate it if --

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** If it does not perform?

**Mayor John Biggs AM (Chairman):** -- it is not right; not only if it does not perform but if it turns out not to be the right solution?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** There are exit provisions in the contract, yes.

**Stephen Knight AM (Deputy Chair):** What are they and when are they?

**Lynda McMullan (Director of Commercial & Finance, Metropolitan Police Service):** I can send you copies of the exit provisions if you would like to see those.

**Stephen Knight AM (Deputy Chair):** That would be helpful, thank you.

**Mayor John Biggs AM (Chairman):** That would be very helpful, thank you. Any more questions from our lovely Members? No? OK. Our even more lovely witnesses, thank you very much. Have a splendid day.

**Stephen Greenhalgh (Deputy Mayor for Policing and Crime):** Thank you.

This page is intentionally left blank