

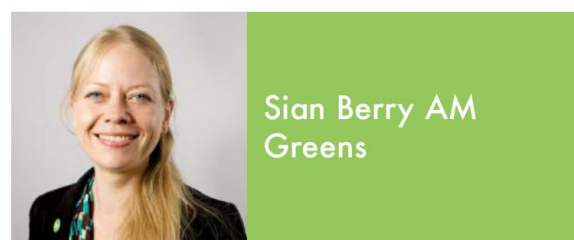
An aerial photograph of a city street with a green map overlay. The map shows a grid of streets and a river. Several people are walking on the street, some carrying bags. The text is overlaid on the map.

MOPAC & MPS COVID-19 Budget Review

Budget and Performance Committee

LONDON ASSEMBLY

Budget and Performance Committee



The Budget and Performance Committee holds the Mayor to account for his financial decisions and performance across the Greater London Authority. It is responsible for scrutinising the Mayor's budget proposals and carrying out investigations across the Mayor's various policy areas, such as transport, police, fire, housing, and regeneration.

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Foreword



Susan Hall AM

Chairman of the Budget and Performance Committee

Over the past few months, the Budget and Performance Committee has reviewed the Greater London Authority (GLA) Group Budget following the substantial impact that the COVID-19 pandemic is projected to have on the GLA's finances.

The London Assembly has a responsibility to ensure that all of the taxpayers' money is spent in a way that provides the best service for Londoners. In light of the budget issues facing the GLA, the Budget and Performance Committee reviewed the Mayor's Office for Policing and Crime's (MOPAC) 2020-21 Budget to ensure that spend is directed to where it is needed most. MOPAC is responsible for oversight of the Metropolitan Police Service (MPS) to ensure that Londoners are safe on our streets.

To help fund MOPAC's work, three pounds in every four of the GLA's Council Tax income is spent by the police in London to help stop crime, support victims and catch criminals across the capital. However, Council Tax income is predicted to fall significantly as a result of wider economic challenges presented by COVID-19. This has led the Mayor to choose to ask MOPAC to deliver up to £25.6 million in-year savings for 2020-21, as well as up to £63.8 million in 2021-22. This represents 8 per cent of funding it receives from the Mayor.

Our Committee found that while in-year savings have been requested by the Mayor for MOPAC, the MPS is spending significantly more money on wages than is budgeted for. There are police officers that are currently being paid, without there being certainty about where the money is coming from to pay them next year. This is causing a seriously concerning black hole in the MPS's budget.

The impact of COVID-19 has led to changes in the way the government is giving money to fund public services, moving to one-year budgeting rather than a three-year cycle. This leaves unanswered the question of how the proposed budget of £50 million for an extra 6,000 police

officers will be handled going forward, as there remains a considerable degree of uncertainty as to sources of funding and how the funding gap will be met.

This report aims to present the current financial challenges facing MOPAC and the MPS in an already difficult time for our city. Our Committee has made recommendations that directly feed into the current budget setting process for 2021-22. These are intended to help MOPAC get through the difficult few months and years ahead, while the economy reacts to necessary restrictions in place to deal with the COVID-19 pandemic.

Recommendations

COVID-19 has had an impact on MOPAC's 2020-21 budget and the ramifications of the disease on London's policing budget will continue in future years. However, MOPAC's budget pressures were present before March 2020.

MOPAC overspent its 2019-20 budget, and unsustainable revenue expenditure pressures have continued into 2020-21; it failed to deliver against its most recent savings target, faces an ongoing funding gap, which in March 2020 was forecast to reach £455 million by 2023-24. This gap is largely driven at present by unfunded officer uplift plans and an underlying structural gap predates the current position.

MOPAC are currently relying on an expectation of further central Government funding to fill a significant portion of this budget gap and the Committee supports MOPAC in lobbying for this extra funding. However, the Committee also believes MOPAC must have a credible backup plan if Government income is not forthcoming. The Committee also wants to see detailed actions regarding how MOPAC will drive down the structural funding gap which predates the expectation of more police officers.

Recommendation 1

MOPAC should clarify how much of its forecast revenue budget funding gap arises from its assumptions on costs associated with the Government's officer growth programme, how much arises from unforeseen COVID-19 expenses and how much can be attributed to other underlying structural pressures.

MOPAC has a history of underspending its capital budget. MOPAC capital programme is heavily reliant on borrowing, with little contribution from capital receipts.

Recommendation 2

MOPAC should present an updated strategy for its approach to estates and general capital spending, based on appropriate assumptions of police officer recruitment and service transformation.

Executive Summary

MOPAC has a net revenue budget of over £3.6 billion for 2020/21. The budget covers operating costs for the MPS as well as MOPAC, which sets the direction and Budget for the MPS on behalf of the Mayor. Along with the costs of policing London, the MPS says it is also focused on delivering an ambitious transformation programme around efficiency and modernisation.

Like most of London, MOPAC's finances have been impacted by COVID-19. In June, the Mayor asked MOPAC to find £45 million of savings based on a reasonable worst case scenario assessment of the loss of business rates and council tax income caused by COVID-19. The Mayor has since committed to provide MOPAC with business rates reserves to reduce this saving by half, however this still means he has asked MOPAC to deliver up to £25.6 million¹ in-year savings for 2020-21, as well as up to £63.8 million in 2021-22.²

At the same time, MOPAC and the MPS face a growing revenue budget gap. Overspending on payroll and overtime continue to place pressure on expenditure. The MPS continues to hire above its targets and, as supported by the Committee, plans to recruit 6,000 of the 20,000 new police recruits announced by Government in 2019. However, the Government may not provide the funding for these 6,000 officers and MOPAC needs to have a credible plan B if this proves to be the case.

An annual capital budget of between £250 and £400 million over the last five years designed to drive modernisation as well as efficiencies appears to be habitually underspent, particularly around the 'transformation' programme. Similarly, capital receipts from sale of estate holdings have seen under-recoveries of between 33 and 98 per cent in recent years. The planned increase in officer numbers may be leading MOPAC to re-consider some aspects of its estate programme as clearly a greater number of police officers may necessitate a larger estate. However, a lack of capital income would risk hindering MOPAC's ability to invest in projects needed to achieve a more efficient and modern police service. It would be concerning if the transformation programme was to stall during a period where the MPS may be required to look for more creative solutions to budget pressures.

In terms of other avenues for savings, income has been negatively impacted by the pandemic, with a 6 per cent under-recovery projected for this year. It is not clear that this will be recouped in the short-term, given the financial challenges similarly faced by many of the partner agencies the MPS would traditionally rely on for income. A multi-million-pound commissioning budget is

¹ The [Mayor announced](#) on 17 September 2020 the creation of a new Group reserve to be held by the GLA totalling £41.5 million to fund a 50 per cent reduction in the initially set GLA: Assembly, GLA: Mayor, LFC and MOPAC 2020-21 savings targets in case they are not achievable through increases in income in 2022-23 and 2023-24.

² [Mayor's Budget Guidance 2021-22](#), page 10-11

forecast to see a significant underspend this year. Short of other creative solutions, the commissioning budget may be one place to look for savings in the short-term.

Chapter one: Pressure on the MOPAC revenue budget

Recommendation 1

MOPAC should clarify how much of its forecast revenue budget funding gap arises from its assumptions on costs associated with the Government's officer growth programme, how much arises from unforeseen COVID-19 expenses and how much can be attributed to other underlying structural pressures.

MOPAC overspent its 2019-20 budget, and unsustainable revenue expenditure pressures have continued into 2020-21

MOPAC overspent its 2019-20 total revenue expenditure budget by £8.4 million. This overspend was made up of £2.1 million on payroll and £28.2 million on overtime. The overspend was partly offset by £15.9 million underspend on running expenses, largely due to the reprofiling of supplies and services budgets into 2020-21 to match related project activity, and additional third-party income, grants and reserves, which ensured a balanced budget for 2019-20.³ However, re-profiling the supplies and service spend may have simply pushed some pressures forward to 2020-21, and the main areas of overspend—officer pay and overtime—are only projected to increase further.⁴

MOPAC's Quarter 1 report for 2020-21 forecasts a total revenue expenditure underspend of £0.1 million, driven largely by a projected 6 per cent reduction in running expenses. The underspend masks another forecasted overspend on pay and overtime, this time of £51.2 million. The Committee recognises that the overspend on overtime is in part caused by pressures arising from tackling COVID-19 and serious violence; actions which the Committee accepts were necessary for the safety of Londoners. Nonetheless, given the consistent overspend on overtime in recent years, MOPAC should improve its forecasted overtime spend.⁵

It is unclear whether the reduction in running expenses is sustainable should policing resume pre-pandemic patterns beyond 2020. Additionally, the projected under-recovery of third-party income as a result of COVID-19 creates a challenge. Areas, such as for policing airports has not been required at the same level as anticipated due to COVID-19. This has led to a fall in income from partners who would usually pay MOPAC to provide these officers. If this income continues to be lost as a result of COVID-19, MOPAC would see a net expenditure overspend of £19.1 million in 2020-21.⁶

³ MOPAC Quarter 4 Report 2019-20, page 36

⁴ [Mayor's 2020-21 Budget](#), page 30

⁵ [Mayor's 2020-21 Budget](#), page 30

⁶ MOPAC Quarter 1 Report 2020-21, page 35

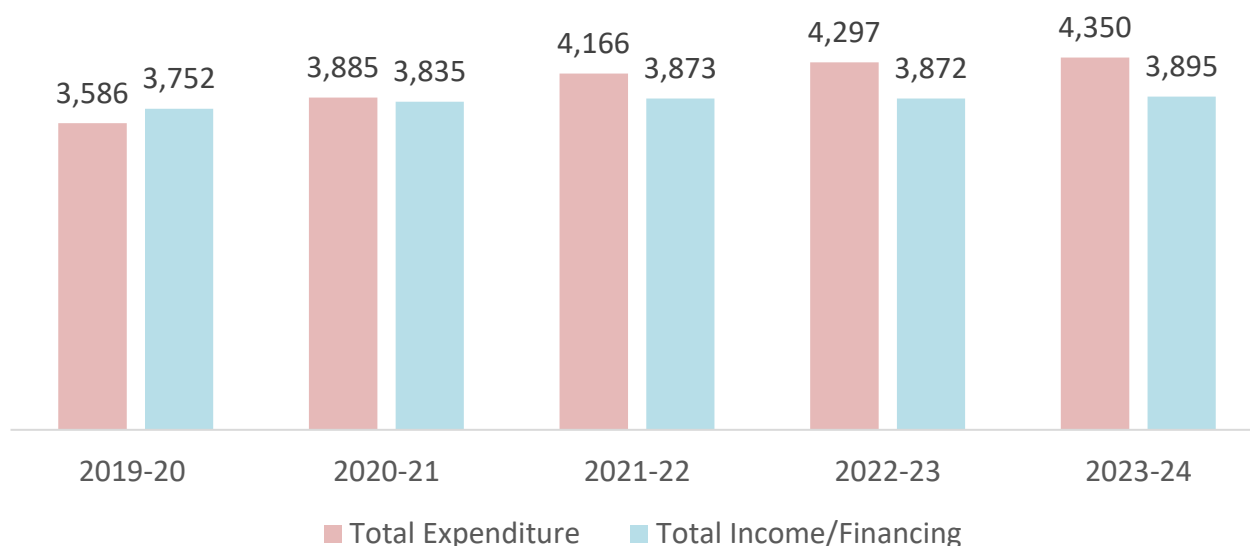
MOPAC has failed to deliver against their most recent savings target

The MPS has achieved cumulative savings of £877 million between 2013-14 and 2019-20.⁷ However, unsurprisingly, the rate at which savings can continue to be made is slowing. In 2019-20, the MPS fell short by £8.8 million, delivering £26.3 million savings against a budgeted savings target of £35.1 million. The savings were broken down into the following thematic areas: £9.3 million from back office functions and IT efficiencies; £5.2 million from modernisation and rationalisation of IT; £4.9 million from custody; £2.2 million from streamlining governance and administrative processes; and £4.6 million from rationalisation of MPS properties.⁸ The MPS's struggle to meet these savings targets is a concern given the additional savings now required both this financial year and next.

MOPAC faces an ongoing funding gap, which in March 2020 was forecast to reach £455 million by 2023-24

In the Mayor's 2020-21 Budget, MOPAC presented a cumulative total budget gap of £1,172.8 million by 2024.⁹ In 2023-24, the gap is equal to 10 per cent of total expenditure for that year (Chart 1). In the Budget and Performance Committee meeting on 22 September 2020, the MPS noted this was likely to have increased due to the impact of COVID-19.¹⁰

Chart 1: Budget gap will grow to £455.3 million in 2023-24
(£, millions)



Source: Mayor's Budget 2020-21, page 30

⁷ [Mayor's 2020-21 Budget](#), page 31

⁸ MOPAC Quarter 4 Report 2019-20

⁹ [Mayor's 2020-21 Budget](#), page 29

¹⁰ [Budget and Performance Committee 22 September 2020](#) minutes, page 13

MOPAC beyond the request for central Government to fund an additional 6,000 officers has not indicated - even at a high level - how it plans to address this budget gap either in 2020-21 or beyond. At the Budget and Performance Committee Meeting on 22 September 2020, MOPAC confirmed that the funding gap would likely increase as a result of the higher savings required in the COVID-19 context.¹¹

Substantial 'back office' and operational savings made over recent years,¹² and more recent struggles to meet savings targets, suggest that MOPAC may struggle to find further efficiencies in their overhead budgets. At the Committee's 22 September meeting, The MPS Chief of Corporate Services, Robin Wilkinson, warned the Committee that a requirement to make additional savings could impact frontline services.

Additionally, income generation has been reduced by up to 6 per cent by the pandemic,¹³ and MOPAC will be unlikely to fully recover or replace it. As MOPAC is tasked with delivering a balanced budget, it may prove necessary to look to more fundamental change to bring expenditure within anticipated funding.

The funding gap is largely driven by unfunded officer uplift plans, but an underlying structural gap predates this.

Payroll costs associated with a projected, but currently unfunded, 6,000-person increase in police officers is a major driver of the increased expenditure. In September 2019, the Government announced a national campaign (and funding) to recruit 20,000 new police officers by 2022-23 to be shared among the 43 forces in England and Wales.¹⁴ Although detailed funding and allocation decisions around the 20,000 new recruits have still not been made beyond 2020-21, MOPAC included a net recruitment target of 6,000 of these new officers for London in their 2020-21 Budget. The Committee supports MOPAC in lobbying the Government for these officers and wants the Government to accept this request to boost police officer numbers in London. This would equate to an almost 20 per cent increase in force numbers (bringing the total to 37,000). At least some of the cost of these officers can be seen in the projected 16 per cent (£419 million) increase in payroll expenditure between 2020-21 and 2022-23 (see Appendix A).¹⁵

Although the final allocation and associated funding for the new officers has not yet been announced, the MPS continues to recruit nearly 700 police officers above the number for which it has budgeted (currently 32,568 officers against a budgeted target of 31,890¹⁶). As part of the September 2019 announcement, the Government set the MPS a target of 1,369 additional

¹¹ [Budget and Performance Committee Meeting minutes, 22 September 2020](#), page 13-14

¹² [Mayor's 2020-21 Budget](#) suggests £877 million in savings has been made since 2013-14 (page 31)

¹³ MOPAC Quarter 1 Report 2020-21, page 35

¹⁴ [National campaign to recruit 20,000 police officers launches today](#), 5 September 2019

¹⁵ [Mayor's 2020-21 Budget](#), page 32

¹⁶ MOPAC Quarter 1 Report 2020-21,

officers for 2020-21.¹⁷ The Government's police funding formula allocated £6.6 million to the MPS, which funded 500 officers by March 2020 but is £5 million short of the total cost. The Commissioner and the Mayor have continued to challenge the Government on its funding formula, suggesting the distribution of funding should reflect a per capita basis and the acute crime needs in London.

MOPAC budgeted in 2020-21 for a significant draw down from reserves to fund the extra police officers that would otherwise have been unaffordable. In 2019-20, the Mayor approved a transfer to reserves of £207.5 million, as a result of a decision to allocate £118.6 million of business rates revenue to the MPS reserve to maintain this higher level of police officers. The money is planned to be used in equal amounts over 2021-22 to 2022-23. It is currently unclear how MOPAC will fund the planned additional recruitments and associated expenses should the Government not provide full funding covering both payroll and overhead support for the additional 6,000 officers. In its 22 September meeting, the Committee heard that without this funding, MOPAC is unlikely to be able to afford these officers.

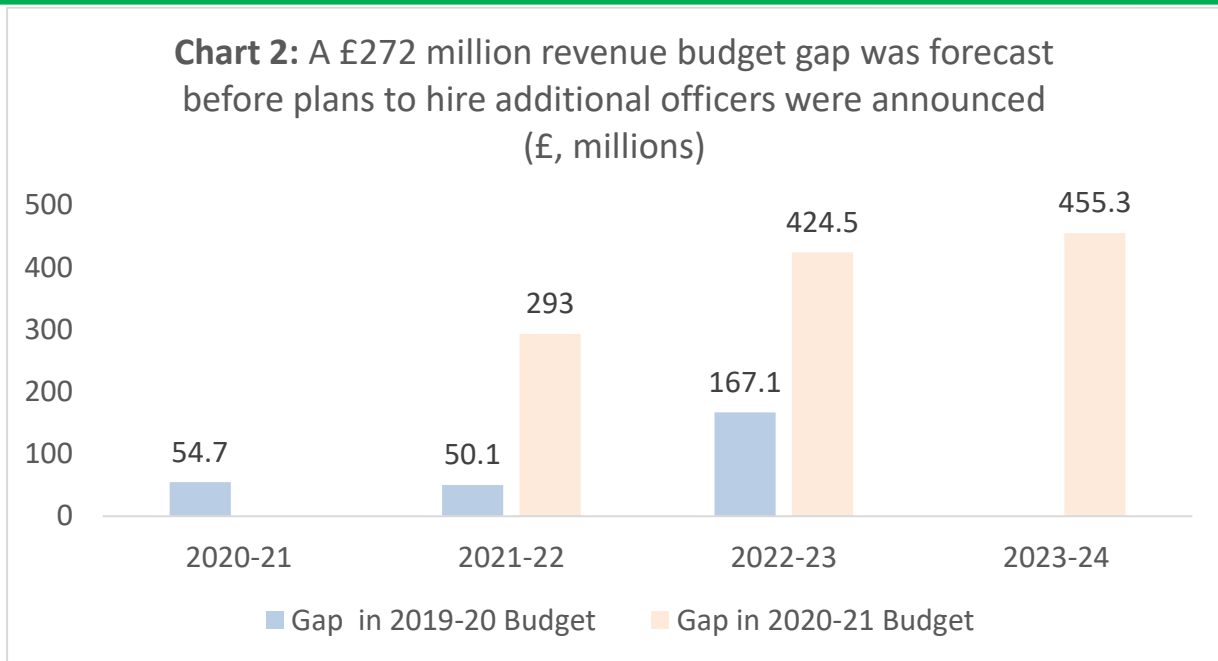
More generally, MOPAC's use of reserves to address budget gaps has raised concerns. At the 19 December 2019 Budget and Performance Committee meeting, the Committee raised concerns that the levels of unallocated reserves, which stood at £46 million, were low. The Deputy Mayor for Policing and Crime, Sophie Linden, and the MPS's Finance Director, Ian Percival, stated that this was an adequate level of reserve to maintain given the scale of the organisation. However, MOPAC will need to identify how it is going to sustain a proportionate approach to the use of its reserves, in the context of a significant budget gap emerging over the coming years. The aspirations on police officer numbers compounds this issue and raises questions over the medium-term sustainability of the Metropolitan Police's budget.

While the officer uplift plans are a substantial driver of MOPAC's current revenue budget gap, a £272 million revenue gap existed in the 2019-20 Budget, prior to an announcement of any significant workforce expansion plans (see Chart 2). In the 2019-20 Budget, this was in part attributed to technical changes made to public sector pensions by the Government that increased costs by £78.4 million, as well as a £172 million shortfall in funding from the National, International and Capital City (NICC) grant that the MPS receives for activity relating to policing the capital.¹⁸ The Committee continues to support MOPAC's lobbying of the Home Office to ensure that London receives the full cost of the NICC.

An expenditure breakdown from the 2020-21 Budget is included as Appendix A, this also suggests growing capital financing costs may be an important contributor. Capital financing costs are projected to grow from £69.5 million in 2019-20 up to £254 million in 2021-22—a 265 per cent jump in two years and are forecast to remain above £120 million per annum for at least the following two years.

¹⁷ [Home Office announces first wave of 20,000 police officer uplift](#), 9 October 2019

¹⁸ An independent Home Office review in 2015 confirmed that the costs for London's additional policing responsibilities totalled £281 million per year. However, the NICC grant for 2020/21 totalled only £185 million.



Source: Mayor's Budget 2019-20, Mayor's Budget 2020-21

Chapter two: Delivering the MOPAC capital budget

Recommendation 2

MOPAC should present an updated strategy for its approach to estates and general capital spending based on its most appropriate assumptions of police officer recruitment and service transformation

The MPS's capital programme is worth over £400 million in 2020-21 and around £1.3 billion over four years to 2023-24. The capital programme ensures that the MPS can invest in state-of-the-art facilities and technology, and in theory, facilitates the large-scale transformation required to ensure the MPS remains a modern, agile and responsive public service. This transformation is also intended to support the delivery of the substantial revenue savings required over the medium-term. In 2020-21, the Mayor's Capital Spending Plan provided for the following 'transformation' activities over five years:

- £442 million on transforming the estate;
- £238 million on property forward works;
- £139 million on Transforming Investigations and Prosecution; and
- £121 million on Optimising Contact and Response.¹⁹

MOPAC has a history of underspending its capital budget.

In 2019-20, MOPAC spent £138 million (36 per cent) less than it was allocated in the Mayor's Capital Spending Plan.²⁰ The underspend was largely due to a significant re-profiling of the budget for transformation to 2020-21, and reduced spending on new IT equipment through the digital policing programme due to supply chain issues.²¹ MOPAC is also projected to underspend this year's capital budget by £65.9 million (16 per cent). This is largely driven by a forecast 30 per cent underspend on the property services programme and a 5 per cent underspend on the transformation programme attributed mostly to 're-alignment of planned activity leading to re-profiling of expenditure into next financial year.'²²

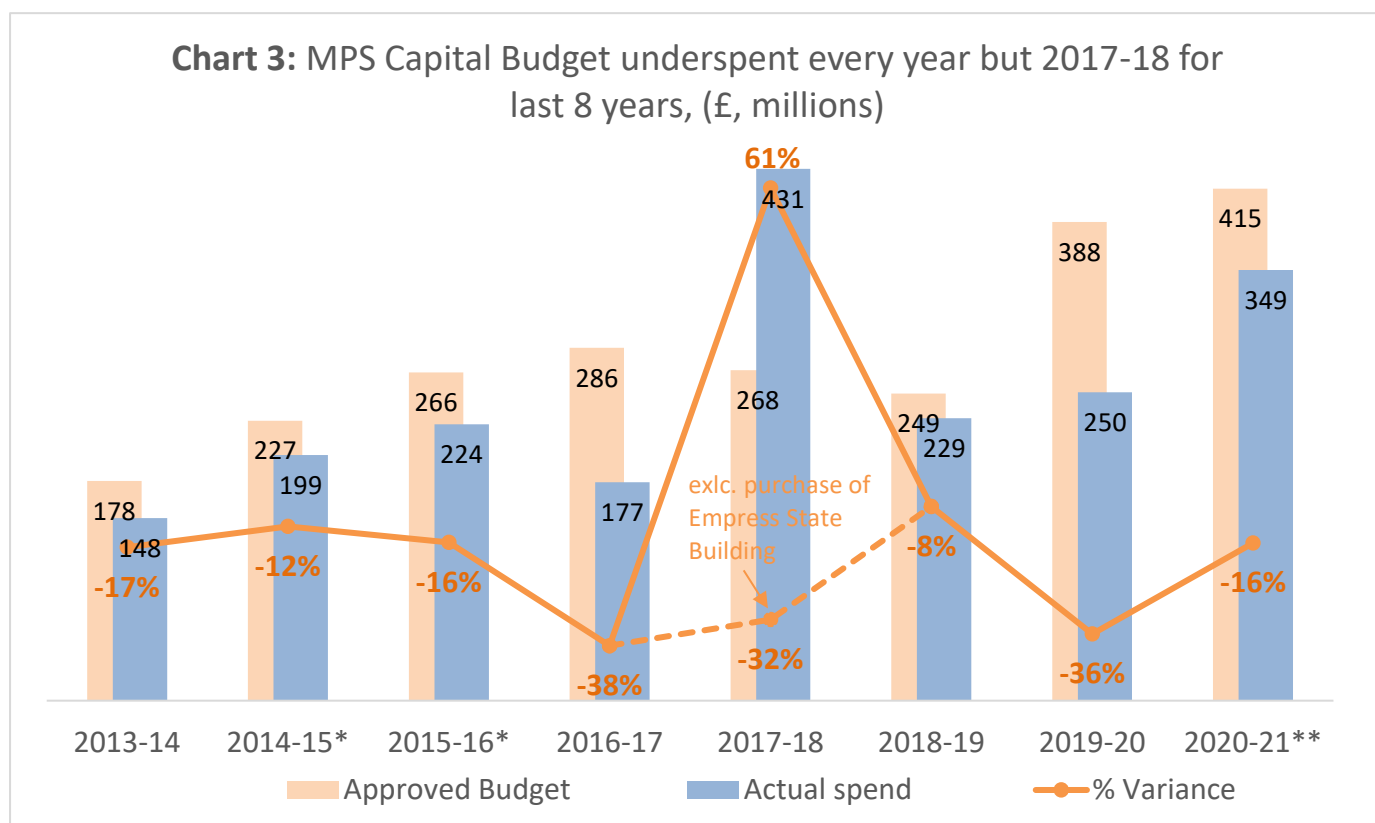
With the exception of 2017-18, the MPS has similarly underspent its capital budget every year since 2013-14 (see Chart 3 below).

¹⁹ Mayor's 2020-21 Capital Plan page 6; Capital was also provided £578 million for non-transformation activities, including £111 million on property lifecycle works; £133 million on fleet; £192 million on the core costs of IT equipment including for frontline officers, and £142 million on National Counter Terrorism Policing Headquarters (NCTPHQ).

²⁰ MOPAC Quarter 4 Report 2019-20 suggests there was a revised budget for this year of £274.3 million

²¹ MOPAC Quarter 4 Report 2019-20, page 39

²² MOPAC Quarter 1 Report 2020-21, page 39; it was confirmed in Budget and Performance Committee Meeting on 22 September (page 25) that the re-profiling of the estate plan was 'due to COVID but not significantly due to COVID'



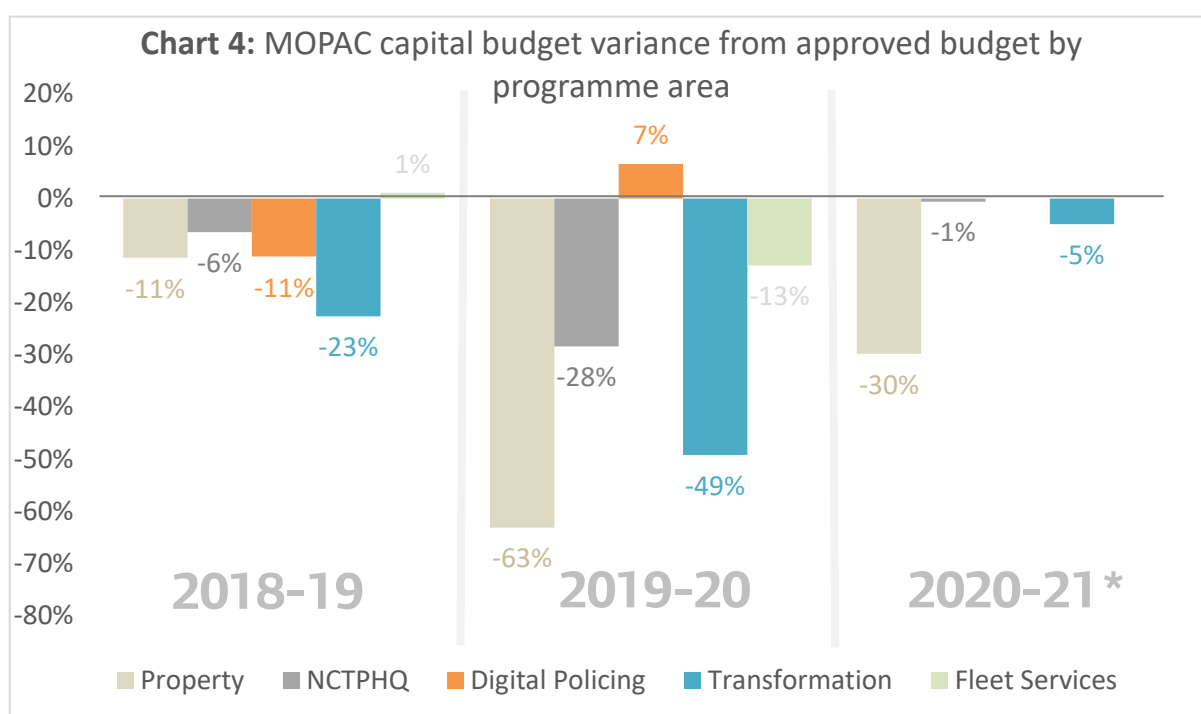
Source: MOPAC Q4 Reports 2013-14 to 2019-20; MOPAC Q1 Report 2020-21

Note: Used the 'approved budget' figure given by MOPAC in given quarterly report unless stated otherwise

*Uses revised rather than approved budget; **Forecast outturn only

Even in 2017-18, where a 61 per cent (£163.5 million) overspend was reported, this was largely due to a decision to bring forward the purchase of Empress State Building by a few days from 2018-19 into 2017-18. This overspend otherwise masked, among other things, a 14 per cent (£17.1 million) underspend on digital policing.²³ When broken down by programme area, the transformation programme has often been a substantial contributor to the underspend trend: in 2018-19, it was underspent by around a quarter; in 2019-20, by almost half; and in 2020-21, is again forecast to be underspent by 5 per cent (see Chart 4 below).

²³ MOPAC Quarter 4 Report 2019-20, page 50



Source: MOPAC Q4 reports 2017-18 to 2019-20, MOPAC Q1 Report 2020-21

NCTPHQ – National Counter Terrorism Policing Headquarters

* Forecast outturn only

While effective use of the capital budget in general is understood to be critical to modernisation efforts that will drive revenue savings, it might be expected that the transformation budget in particular be put to more effective use each year. Given the growing revenue budget strain for the MPS, it would be concerning to see the trend of underspend and re-profiling to future years continue.

MOPAC capital programme is heavily reliant on borrowing, with little contribution from capital receipts.

The MOPAC capital budget is increasingly funded by borrowing. The cost of financing this is putting increasing pressure on the revenue budget, with the 2020-21 Budget projecting expenditure of £254 million on capital financing just in 2021-22. This is due in part to a reduction in the Government's capital contribution from £12 million per annum down to £3 million per annum.²⁴ However, with a £1.3 billion programme planned to 2023-24, the Government's contribution, in either case, is only a small fraction.

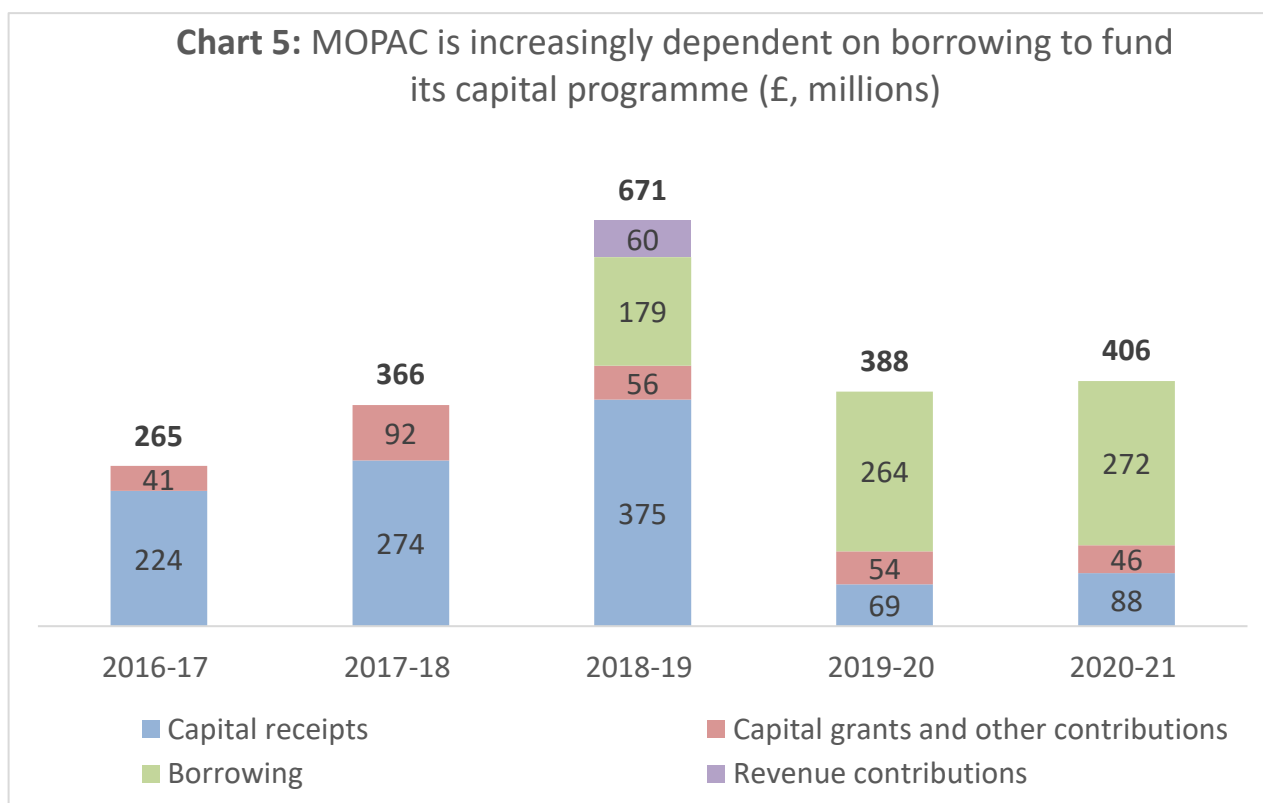
The Mayor has included a request for an increase in capital funding in his submission to the Comprehensive Spending Review.²⁵ However, if the Government does not agree with MOPAC's request, other avenues must also be considered. MOPAC has been tasked with reviewing its estate to consider options to generate income from capital receipts associated with their estate

²⁴ Mayor's Submission to the Comprehensive Spending Review, September 2020, page 30

²⁵ Mayor's Submission to the Comprehensive Spending Review, September 2020, page 31

holdings. The MPS has developed a strategy to sell expensive-to-run buildings, many of which are underused and only support 'back office' activities or are no longer required, and invest the capital in technology allowing officers to work remotely, and provide alternative means of contacting the MPS for the public.²⁶ The 2019-20 Budget expected the number of operational buildings to shrink to 100 by 2022.²⁷

However, capital receipts currently only make up around 20 per cent of capital programme funding (see Chart 5 below). Additionally, reported outturn figures suggest that planned capital receipts have been consistently lower than forecast: there was a 33 per cent under-recovery in 2016-17, 98 per cent under-recovery in 2018-19 and a 66 per cent under-recovery in 2019-20.²⁸



Source: Mayor's Capital Spending Plans 2016-17 to 2020-21

It is not clear how MOPAC is progressing on its Estates Review plans, and no update was provided in the most recent quarterly update. In the Budget and Performance Committee meeting on 22 September 2020, Robin Wilkinson, Chief of Corporate Services for the MPS, confirmed that COVID-19 is unlikely to impact planned building sales in 2020. However, it was also noted that plans to further reduce estate holdings may come into conflict with plans to expand the workforce, and that final decisions around housing the future workforce are largely pending the outcome the Government's Comprehensive Spending Review.²⁹ A failure to progress the Estates Review plan could impact much needed investment in new technology.

²⁶ [Public access strategy](#)

²⁷ [Committee meeting minutes Budget 2019-20 19 December 2019](#)

²⁸ [Mayor's Capital Spending Plans 2016-17, 2018-19, 2019-20](#)

²⁹ [Budget and Performance Committee meeting 22 September 2020 minutes, page 27](#)

Chapter three: Impact of COVID-19 on MOPAC income

COVID-19 has seen MOPAC's income shrink by 6 per cent.

One avenue through which MOPAC can address its budget pressures is income generation. This often involves selling police officer time to other agencies, including Transport for London, aviation authorities and local authorities. In 2019-20, this allowed MOPAC to generate income of £274.8 million. In 2020-21, planned income was £282.9 million.

However, recent forecasts predict a 6 per cent—£17.9 million—under-recovery this financial year.³⁰ This is due to a £6.9 million reduction in receipts from the Transport for London funded Roads Policing and Criminal Justice programme, and a £4.1 million reduction in receipts from Aviation Policing, which arise from a reduction in policing requirements due to COVID-19. COVID-19 has also had an impact on a range of income areas including vehicle recovery and sporting income.³¹

It is unclear from current reports how long these income streams are likely to be affected, how much deeper the losses may become, and what MOPAC is doing to address the income loss. During the Budget and Performance Committee meeting on 22 September 2020, the MPS confirmed that many avenues for income generation have been impacted heavily by the pandemic. Many partners who ordinarily buy MPS services are themselves facing financial challenges and changed service landscapes brought on by COVID-19. While the MPS is continuing conversations with these partners about their long-term plans to resume operations that might require police support, it anticipates it may face reduced income from these sources for some time and is unlikely to recoup its losses in the short-term.³²

As discussed at the Budget and Performance Committee meeting on 22 September 2020, another potential avenue worth exploring for additional income, or for savings from improved working practices, is a greater degree of collaboration across the blue light services. The Committee will keep this topic under review at its future meetings.

Inability to recoup or indeed increase its income generation is likely to hamper the MPS's ability to maintain and increase its police officer numbers and close its budget gap.

³⁰ MOPAC Quarter 1 Report 2020-21 page 35

³¹ MOPAC Quarter 1 Report 2020-21 page 37

³² [Budget and Performance Committee meeting](#) 22 September 2020 minutes, page 21-22

Chapter four: High-value commissioning

MOPAC's commissioning activities must continue to demonstrate value for money.

With the increased devolution of funding streams from the Government and more investment from the Mayor, MOPAC has taken responsibility for operating local, sub-regional and regional commissioning models to deliver services. This has led to MOPAC's commissioning budget increasing significantly to £53.6 million for 2019-20.³³ MOPAC currently commissions the London Crime Prevention Fund, the Co-Commissioning Fund, the MOPAC Victims' Fund, and the MOPAC Integrated Victims and Witnesses Service.

MOPAC also receives funding for the Violence Reduction Unit (VRU), which establishes local teams to work with the community to cut violence using a long-term public health approach to tackle serious and violent crime. The Mayor committed £6.8 million to the VRU in 2019-20 and £14.7 million in 2020-21. The Government has contributed £7 million of funding from the Home Office Violent Crime Surge Fund. Government funding beyond the current financial year is not confirmed.³⁴

MOPAC has indicated that its commissioning activity is currently being reviewed in light of COVID-19. For example, MOPAC identified that the VRU is forecast to underspend by 17 per cent or £3.8 million in 2020-21 due to the impact of the pandemic on its ability to deliver programmes with providers, and extensive reprofiling of its funded projects.³⁵ It is uncertain what, if any, MOPAC commissioned programmes have taken place since the start of the pandemic, and what work MOPAC has done with providers to adapt the programmes in light of the ongoing restrictions. It is not clear to what extent MOPAC has been able to support providers to deliver interventions by using digital approaches. Similarly, it's unclear what MOPAC has done or is doing to monitor the progress of commissioned programmes in light of the pandemic.

The VRU budget was underspent by a third in 2019-20, and general MOPAC services and supplies budget (which includes commissioning) likewise underspent by 14 per cent. MOPAC has already stated an intention to reprofile the delayed programmes, and to carry forward the money not spent this year to next year. Given MOPAC's inability to deliver the full budget in 2019-20, there is a question around whether it could use this additional amount in 2021-22. Alternatively, the 2020-21 commissioning underspend could be applied to the significant in-year savings required of MOPAC.

³³ [Is MOPAC's Commissioning programme working? GLA Press Release 21 January 2020](#)

³⁴ [Mayor's 2020-21 Budget; Funding for Violence Reduction units announced, 12 August 2019](#)

³⁵ MOPAC Quarter 1 Report 2020-21

Table 1: Extent of (total) underspend on MOPAC commissioning budget

£m	2019-20				2020-21			
	Budget	Outturn	Variance	%	Budget	(Projected) Outturn	Variance	%
VRU	14.8	10.4	-4.4	-29.7%	23.1	19.3	-3.8	-16.5%
<i>Core Budget</i>	1.8	1.8	0	0.0%	1.5	1.4	-0.1	-6.7%
<i>Commissioning</i>	13	8.6	-4.4	-33.8%	21.6	17.9	-3.7	-17.1%
MOPAC (Excl. VRU)	70.1	61.5	-8.6	-12.3%	74.2	73.2	-1	-1.3%
<i>Staff Pay and Overtime</i>	11.5	11	-0.5	-4.3%	12.8	12.3	-0.5	-3.9%
<i>Employee Related</i>	0.2	-0.1	-0.3	-150.0%	0.2	0.2	0	0.0%
<i>Premises Costs</i>	1.6	1.7	0.1	6.2%	1.6	1.3	-0.3	-18.8%
<i>Supplies and Services</i>	56.8	48.9	-7.9	-13.9%	59.6	59.4	-0.2	-0.3%

Source: MOPAC Quarter 4 Report 2019-20; MOPAC Q1 Report 2020-21

Chapter five: Conclusion

The police budget is heavily reliant on a positive outcome from this autumn's Spending Review. The Committee fully supports the Mayor and Commissioner in their desire to see the Government provide the 6,000 officers. However, a funding gap will remain within MOPAC, even if it receives additional Government funding for its officer growth programme.

COVID-19 is projected to have a substantial impact on the GLA Group's finances through both additional expenditure requirements and loss of income. Council Tax income is predicted to fall significantly as a result of a wider economic contraction. The Committee wants the Government to step in and cover the loss of any business rate and council tax funding. However, MOPAC cannot be certain that the Government will accept this request. As the recipient of more than three pounds in every four of the GLA's assumed ongoing Council Tax income, MOPAC's budget is likely to be significantly impacted. Along with the cuts, savings and efficiencies already realised and planned, the Mayor has asked MOPAC to deliver up to £25.6 million³⁶ in-year savings for 2020-21, as well as up to £63.8 million in 2021-22.³⁷

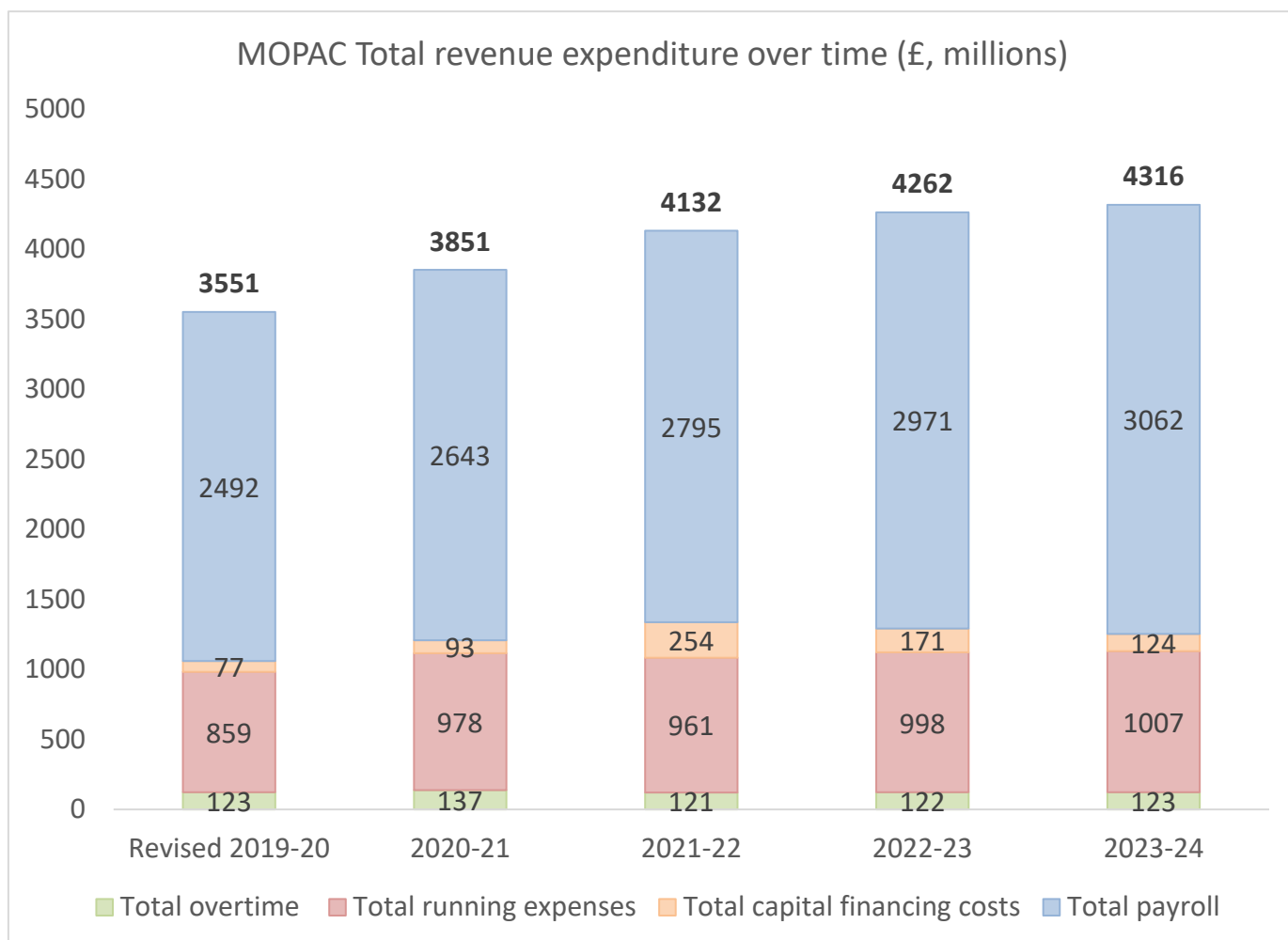
At the same time, MOPAC and the MPS face a growing revenue budget gap and have not done enough to show they have identified how to close it. Overspending on payroll and overtime continue to place pressure on expenditure, and substantial savings made over recent years mean there is little 'low hanging fruit' left. The MPS is currently hiring above its targets and has unfunded plans to absorb 6,000 of the 20,000 new police recruits announced by Government in 2019. MOPAC does not yet have detailed plans on how to close the elements of the funding gap not arising from the expectation for additional officer funding. The Committee needs to see a detailed plan of how MOPAC will plug this shortfall.

³⁶ The [Mayor announced](#) on 17 September 2020 the creation of a new Group reserve to be held by the GLA totalling £41.5 million to fund a 50 per cent reduction in the initially set GLA: Assembly, GLA: Mayor, LFC and MOPAC 2020-21 savings targets in case they are not achievable through increases in income in 2022-23 and 2023-24.

³⁷ [Mayor's Budget Guidance 2021-22](#), page 10-11

Appendix A

Appendix A: MOPAC total revenue expenditure 2019-20 to 2023-24



Source: [Mayor's Budget 2020-21](#)

Other formats and languages

If you, or someone you know needs this report in large print or braille, or a copy of the summary and main findings in another language, then please call us on: 020 7983 4100 or email assembly.translations@london.gov.uk

Chinese

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Vietnamese

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Greek

Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.

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Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

Hindi

यदि आपको इस दस्तावेज का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফো করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں درکار ہو تو، براہ کرم نمبر پر فون کریں یا مذکورہ بالا ڈاک کے پتے یا ای میل پتے پر ہم سے رابطہ کریں۔

Arabic

الحصول على ملخص لهذا المستند بلغتك،
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العنوان البريدي العادي أو عنوان البريد
الإلكتروني أعلاه.

Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોઈતો હોય તો ઉપર આપેલ નંબર પર ફોન કરો અથવા ઉપર આપેલ ટપાલ અથવા ઈ-મેઇલ સરનામા પર અમારો સંપર્ક કરો.

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