Mayor’s Office for Policing And Crime and Group

Un-audited Statement of Accounts 2023/24

MOPAC

MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

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Narrative report

Introduction

The Police Reform and Social Responsibility Act 2011 established a Police and Crime Commissioner for each police force area across England and Wales. In London, the elected Mayor of London is the equivalent of the Police and Crime Commissioner and is responsible for the totality of policing in the capital (outside of the City of London).

The Mayor delivers the responsibilities given to him via the Act through the Mayor's Office for Policing and Crime (MOPAC), which was established as a Corporation Sole in January 2012. The Mayor has appointed a statutory Deputy Mayor for Policing and Crime – Sophie Linden – to lead MOPAC. A separate body of the Commissioner of Police of the Metropolis (CPM) remains, Sir Mark Rowley was the Commissioner during 2023/24 following his appointment the previous year on 12 September 2022.

The Mayor has several key roles in his capacity of Police and Crime Commissioner - most importantly setting the strategic direction and accountability for policing. The Mayor is responsible for the formal oversight of the Metropolitan Police Service (MPS), including budget-setting, performance scrutiny and strategic policy development, and for ensuring the MPS is run efficiently and effectively, so that Londoners are getting the best service possible from their police. Operational decision-making on day-to-day policing remains the responsibility of the Commissioner.

On 2 May 2024, Sadiq Khan was re-elected for a third term as Mayor and therefore as the occupant of the Mayor's Office for Policing and Crime for the metropolitan police district. In March 2022 the Police and Crime Plan for London 2022-25 was published setting out the Mayor's plans to discharge his responsibilities through MOPAC and his commitments to Londoners during his term in office.

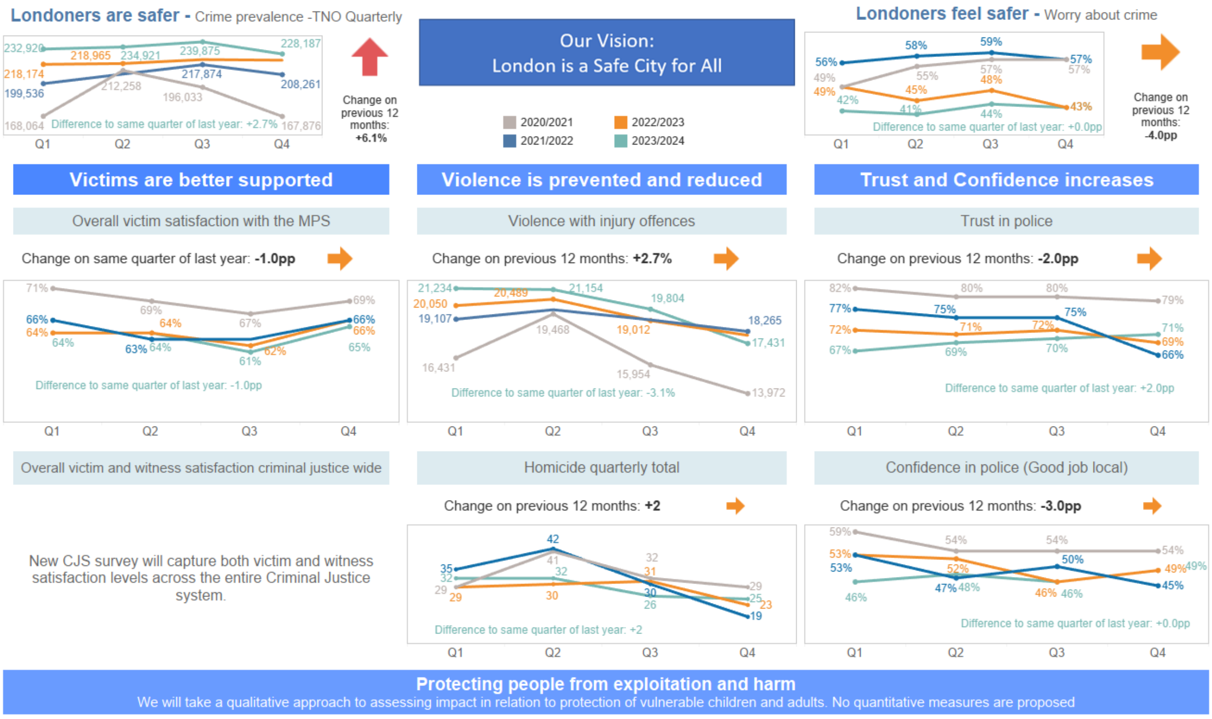
The four priorities of the Plan are: Reducing and preventing violence; Increasing trust and confidence; Better supporting victims; and Protecting people from being exploited or harmed. These Accounts reflect the administration's priorities to meet the objectives within MOPAC's published Police and Crime Plan for 2022-2025.

All the financial transactions incurred during 2023/24 for policing London have been recognised and recorded within this Statement of Accounts, which sets out the overall financial position of MOPAC and the MOPAC Group for the year ending 31 March 2024. The term 'Group' refers to the consolidated accounts of the MOPAC and CPM. Where the Group's position differs from MOPAC's position this is made clear in the statements and notes. Separate statutory accounts are prepared for the CPM.

This narrative report provides an overview of the accounting arrangements and outlines the financial and operational performance of MOPAC and the MOPAC Group during 2023/24.

Delivering our priorities during 2023/24

MOPAC oversees the delivery of the Mayor's Police and Crime Plan by tracking a core set of measures of policing and crime activity. These measures reflect the Mayor's priorities and the activity and input of all criminal justice partners. The graphs below show how MOPAC delivered against each of the key objectives of the Police and Crime Plan during 2023/24.



Other key activities in 2023/24 included:

According to MPS data, when comparing the 12-month period to May 2016 and the 12 months to January 2024, homicide in London fell by 3%, the number of young people injured with knives fell by 19%. Gun crime fell by 19%. Burglary fell by 18%.

Figures from the Office for National Statistics (ONS) show that the violent crime rate is lower in London than in the rest of England and Wales. In the twelve months to December 2023, there were 28.4 recorded violence against the person offences per 1,000 population in the Met area, which is below the England & Wales average of 34 per 1,000 population.

Following the publication of Baroness Casey's review into the culture and standards of the MPS, Commissioner Sir Mark Rowley published his New Met for London reform plan in July 2023. In it, he sets out priority areas for activity to achieve less crime, more trust and higher standards in policing.

The London Policing Board was established by the Mayor in response to one of Baroness Casey's recommendations in her review of culture and standards in the Metropolitan Police Service. The Members of the London Policing Board bring a variety of skills, insights and experiences to support the Mayor in overseeing and supporting the Metropolitan Police; and to improve the openness and transparency of how the Met Commissioner is held to account. The Board met publicly in full three times during 2023/24, with an additional three Committee meetings. At these sessions, the Board considered issues including culture and standards in the MPS, Violence Against Women and Girls and Violence Affecting Young People.

The Mayor was proactive in bringing in His Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) to provide enhanced oversight and scrutiny into areas of concern. This includes an inspection into errors identified in the police investigation of Stephen Port, the findings and recommendations of which have been accepted by the Commissioner. In late 2023 HMICFRS reported on another inspection commissioned by the Mayor into how the MPS handles cases involving the criminal and sexual exploitation of children. They found two immediate accelerated causes of concern and then a further one at the time of publishing the final report. Bringing these issues to light has enabled the MPS to prioritise and drive the improvements needed – and HMICFRS and MOPAC will continue to oversee their delivery.

In May 2023, MOPAC worked closely with Rt Hon Harriet Harman MP to produce draft legislation to encourage the Government to take action to reform the police misconduct and performance framework. Many of the proposals suggested were eventually adopted by the Home Office including:

- Automatic suspension of police officers charged with indictable offences.
- Create a statutory requirement for officers to hold vetting – and support a legislative routeway to dismiss officers who fail vetting.
- Appeal rights for Chief Constables.
- Deliver new and robust guidance on discharging probationers (Regulation 13).
- Streamlining of the unsatisfactory performance procedures (UPP).

MOPAC continued to operate its Independent Custody Visiting (ICV) scheme, in which volunteers visit police custody suites unannounced to check on standards of service and on the welfare of detainees. In 2023/24, MOPAC's ICVs carried out 508 visits, seeing 1801 detainees.

A MOPAC-funded community scrutiny pilot launched in Hackney in July 2023 with a diverse group of local people meeting monthly to hold the police to account for a wider range of powers and practices. MOPAC is seeking to ensure this is a collaborative process working in partnership with local authority colleagues, local voluntary and community organisations, and with local communities. The pilot is being evaluated by MOPAC's Evidence and Insight team.

The Met has made a dramatic improvement in its call handling, backed with £2.5m in MOPAC funding. In January 2024 the Met answered 91 per cent of 999 calls within 10 seconds - above the national target of 90 per cent.

Data from the ONS Crime Survey for England and Wales shows that public confidence in the MPS has stabilised since September 2022. The latest available ONS data for the year ending June 2023 shows that public confidence in the MPS (51%) was higher than the England & Wales average (50%) and higher than that of any of its most similar forces – Greater Manchester (40%), West Yorkshire (44%) and West Midlands (47%).

Latest data from the MOPAC Public Attitude Survey (PAS) found that the proportion of respondents worried about crime in their local area has fallen by 9% over the last year to 41%. The proportion of respondents worried about anti-social behaviour in their local area has fallen by 14% to 36%. Corresponding falls have been seen for worry about knife crime in the local area (down by 6% in the last year, to 49%) and worry about gun crime in the local area (down by 29% in the last year, to 17%). (PAS Q2 22-23 versus Q2 23-24).

Delivery of the Mayor's Tackling Violence Against Women and Girls Strategy continued in 2023/24. The Strategy champions a public health approach and encourages everyone in London to play their part in ending the epidemic of violence against women and girls. Highlights include:

- A further £15m investment was secured to continue and strengthen the Domestic Abuse Safe Accommodation (DASA) programme in London, which provides safe accommodation and wrap-around support for survivors of domestic abuse and their families. Run by the Greater London Authority (GLA) and MOPAC and funded by the Department for Levelling Up, Housing and Communities (DLUHC), DASA has already supported more than 70 projects across London since it launched in December 2021.

- MOPAC convened partners from NHS London, Integrated Care Boards and Directors of Public Health, together with local authority community safety and safeguarding leads to sign up to a number of pledges to tackle misogyny, sexual harassment and violence against women and girls through their services and in health environments to help prevent VAWG across the capital.

- The Mayor announced £3m in additional funding to support grassroots projects delivering vital services for women and girls experiencing domestic abuse and sexual violence.

The Mayor and Commissioner convened a City Hall roundtable with representatives from world-leading mobile phone manufacturers and networks, including Apple, Samsung and Google, to discuss how police, City Hall and the mobile phone industry can work better together to find the most effective deterrent to mobile phone crime – a significant and growing issue in London.

The MOPAC GPS tagging crime scheme launched in 2019 surpassed 1,500 tagged offenders in 2023/24. Electronic monitoring of knife crime and domestic abuse offenders on release from prison helps ensure they comply with the terms of their sentences, protects their victims and puts the onus on perpetrators to change their behaviour.

The Mayor’s Shared Endeavour Fund continued to support community projects tackling hate, intolerance, extremism and radicalisation across London. In 2023/24 it provided funding for 22 projects with up to 50,000 direct beneficiaries. Additional delivery was funded in the aftermath of the tragic terrorist attack in Israel on 7th Oct and ensuing humanitarian crisis in Gaza to counter increasing levels of antisemitism and Islamophobia.

Headway continued to be made to oversee multi-agency progress against the recommendations made in Lord Toby Harris’ latest review into London’s preparedness to respond to a terrorist attack. Much good progress has been made and 57 recommendations have been closed by MOPAC with more than 100 further recommendations currently being considered for closure. A one-year on from publishing report was sent to London Assembly Members during 2023/24.

MOPAC investment supported the expansion of Project ADDER in 2023/24. ADDER - a partnership with police, councils and health services to help drug users from the criminal justice system into treatment and recovery services - began operating in one part of London in 2021/22 and is now expanding across the whole of London.

The Home Office and MOPAC provided £5m each in 2023/24 to fund Operation Yamata, which tackles intra-London drugs lines and prevents associated homicide and serious violence by dismantling Class A drugs supply networks. Operation Yamata works in tandem with Project ADDER to supress drugs supply and reduce demand.

The Mayor committed £3m to support improvements in the way the Met cares for victims of crime. This funding has helped support new initiatives including My Met Service - an instant service where victims can use a QR code, email or SMS to give the Met instant feedback after they’ve spoken to an officer.

The Mayor pledged an additional £250k funding for the Community Alliance To Combat Hate (CATCH) Partnership. This Partnership of eight organisations including GALOP, supports victims of all forms of hate crime – from racism to religious discrimination and anti-LGBTQ+ abuse. This funding is in addition to £2m CATCH has already received from MOPAC, enabling it to reach more than 3,500 victims of hate crime a year.

The Mayor announced £170,000 funding for a dedicated London team of cybersecurity experts to better protect Londoners from online harm. The new investment is part of a one-year pilot to boost the reach and capacity of the award-winning charity ‘The Cyber Helpline’ which has already helped 600,000 people nationally since 2020 and directly supported more than 40,000 victims.
MOPAC’s Evidence and Insight Unit published further evaluation and research reports, including a ground-breaking study conducted by UCL on the impact of the cost-of-living crisis on crime and safety in London.

The London Violence Reduction Unit

London's Violence Reduction Unit (VRU) led a partnership approach to tackling violence through prevention and early intervention across London. Since it was set up in 2019, the VRU has funded more than 350,000 positive opportunities for young people, diverting vulnerable Londoners towards education and employment and away from gangs and violence.

The VRU's community-led MyEnds programme, which operates in eight neighbourhoods across London, won an MJ award in the 'Better Outcomes' category for its partnership approach to solutions to tackle violence. This approach has seen more than 50,000 young people and community people supported through nearly 40,000 activities and interventions, including after-school support, mentoring, sport and holistic support.

The VRU developed and published London's first-ever Inclusion Charter to tackle rising suspensions and persistent absenteeism. Backed up by research of 4,000 young people and teachers, it formed a Charter of four guiding principles that are underpinned by £1.4m investment in UNICEF's Rights Respecting Schools Award programme. 24 boroughs have already signed up to the Charter and adopting its principles.

The Charter is backed up by £10m investment in education to tackle exclusions and develop healthy relationships, an effective PRU mentoring programme across all 32 boroughs and funding to support speech, language and communications skills in 70 schools and an approach to early identify SEND.

This approach is supported by a £3.4m fund to deliver positive opportunities and targeted after-school interventions for 17,000 young people.

The VRU has developed and built on its support for youth work in London. Its Rise Up programme has helped 470 youth workers further develop leadership skills, better manage conflict involving young people and support those affected by violence and trauma.

It also invests in street-based youth work and in frontline practitioners in custody suites and hospitals. The VRU has expanded the model of youth workers in custody suites by increasing funding so that frontline practitioners are embedded in all 12 of the Met's BCUs and support young people from 10 through the 25. Since 2020, 5,000 young people aged 10-25 have been supported, with more than 2,000 activities delivered, including mentoring and opportunities in education, training and employment.

The VRU also funds youth workers embedded in Major Trauma Centres and A&Es across the capital, supporting young people at the 'reachable, teachable moment'. It's supported more than 1,700 young people since April 2020 with data showing that engagement with youth workers saw reduced in exposure and involvement in violence.

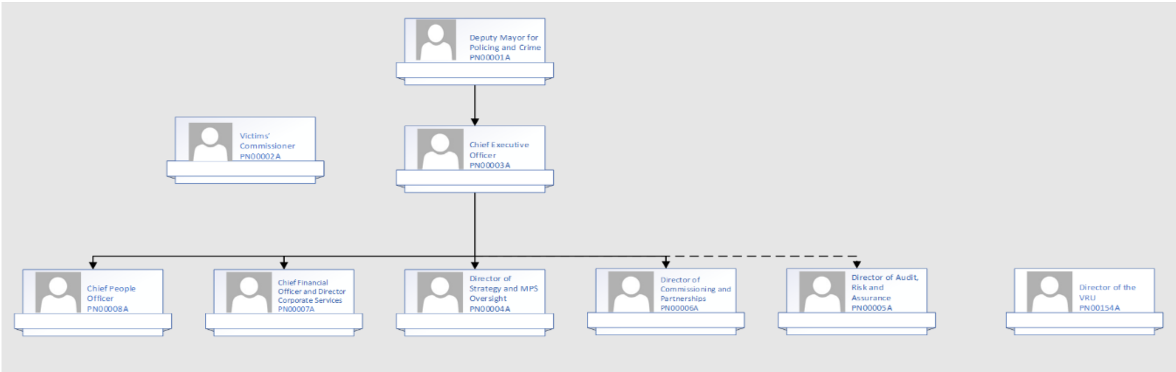
Alongside this, the VRU has established its Parent/Carer Champion Network in nearly almost every London borough, working to provide support, guidance and networks for more than 7,000 parents and carers.

It has also developed and established a girls and young women's programme which includes training teachers and support staff to better identify and intervene in the early stages of vulnerability in school.

How MOPAC delivers its responsibilities

How MOPAC operates

MOPAC has around 300 staff, organised across several directorates. The MOPAC structure is set out below together with a description of the role of each Directorate.



Directorate	Description
Commissioning and Partnerships	Responsible for commissioning services to prevent crime, reduce reoffending and support victims.
Finance and Corporate Services	Supports the Mayor and DMPC to set and deliver a budget in support of the Police and Crime Plan and oversees and scrutinises how the MPS spends public money.
HR, Private Office and Secretariat	HR provide strategic and advisory support on people matters to MOPAC. The Private Office and Secretariat coordinate and advise on democratic functions, MOPAC's governance framework, including the London Assembly, Police and Crime Committee, supporting the DMPC and Chief Executive.
Strategy and MPS Oversight	Supports the Mayor and DMPC to develop their strategies and oversees and communicates the delivery of their commitments to Londoners. The Directorate is also responsible for managing the London Policing Board. It also hosts the country's largest civilian policing research unit (Evidence and Insight), providing expert data analysis, capture of Londoners perceptions, evaluations and research to inform our policy-making and oversight.
Directorate of Audit, Risk and Assurance (DARA)	DARA provides expert internal audit and counter-fraud services to MOPAC and the MPS and to other parts of the GLA Group.

MOPAC also hosts a number of specialist teams, including:

Team	Description
The Violence Reduction Unit (VRU)	Hosted by MOPAC and working across the GLA to prevent violence by identifying and working in partnership to address its root causes.
The Independent Victims' Commissioner for London	Supported by a team hosted within MOPAC, Claire Waxman OBE was appointed by the Mayor to ensure that the voice of victims of crime is heard in everything that we do.

The financial statements

Like all public services, policing has continued to operate within a challenging financial environment. In spite of the ongoing financial pressures we face, we have continued our investment in projects and programmes to deliver transformation. These include investment in estates and equipment to support a modern police force. Much of the investment to date has been funded from receipts from the disposal of surplus property. Whilst future investment will still include some disposal proceeds, we will need to continue to look to long term borrowing to fund this necessary investment.

Before the police officer pension liability, which is subject to a separate year on year funding arrangement agreed with the Home Office, the Balance Sheet shows a positive net worth of £1,762 million, a decrease of £316 million from last year (£2,078 million) reflecting movements in working capital.

More specifically, the consolidated financial statements consist of:

- The Comprehensive Income and Expenditure Statement (CIES) for the Group and MOPAC – this summarises the resources generated and consumed in the year. Whilst it shows a deficit on the provision of services of £886 million, after taking accounting adjustments into consideration there is a surplus of £4 million after transfers from earmarked reserves of £144 million;

- The Movement in Reserves Statement (MIRS) for the Group and MOPAC – this shows how the £886 million deficit and other income and expenditure generated in the CIES is spread over the usable and unusable reserves in the Balance Sheet. Usable reserves reduced from £518 million to £379 million during 2023/24 which reflects transfers from earmarked reserves which have been established to manage future budget pressures, operational costs falling in future years and management of on-going change programmes.

- The Balance Sheet for the Group and MOPAC – this sets out the assets, liabilities owed by MOPAC to others, and the usable and unusable reserves which MOPAC maintains. The Balance Sheet shows a negative net worth of £22,436 million. This figure however includes the cost of police officer pensioners' liabilities which are subject to a separate year-on-year funding arrangement agreed with the Home Office. If the police pension liabilities are excluded, the Balance Sheet would show a positive net worth of £1,762 million;

- The Cash Flow Statement for the Group and MOPAC – this shows the in- and out-flows of cash to and from MOPAC. During 2023/24 there was a net cash outflow to MOPAC of £183 million.

In addition to the financial statements the Statement of Accounts include a Statement of Responsibilities for the Accounts and are published alongside MOPAC's Annual Governance Statement for 2023/24.

Financial performance of the Group

Setting the budget

The Deputy Mayor for Policing and Crime recommends an annual budget to the Mayor, following consultation with the Commissioner. The approved budget for 2023/24 for the whole MOPAC Group provided for gross expenditure of £4,533.2 million. Within this amount, £141.4 million was attributable to MOPAC, and included £120.6 million relating to London initiatives such as London Crime Prevention Fund £17.6 million, VAWG £12.0 million, London Integrated Victim and Witness Service £7.4 million, Your Choice £4.5 million, Operation Soteria £4.1 million, Project ADDER £2.0 million, Talk Matters £2.0 million, Parent Carer Champion Network £2.0 million and rape crisis centres £2.2 million. The MOPAC Group net budget, after taking into account income, specific grant before reserve usage, was £3,475.2 million.

During the year the Deputy Mayor for Policing and Crime approved amendments to the budget to reflect known changes mainly in relation to grants.

Performance against the Revenue Budget

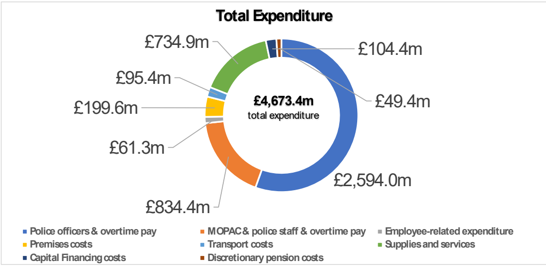
Table 1 provides a summary of the final MOPAC Group outturn position for 2023/24 compared with the revised budget. Figures in brackets in the variance column represent reduced expenditure or increased income against the revised budget.

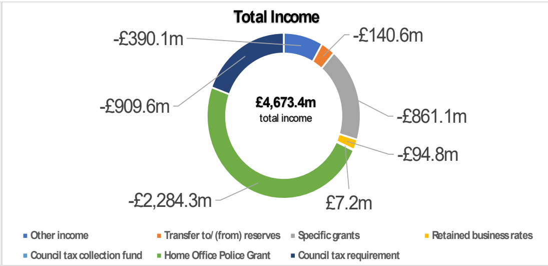
Table 1 MOPAC Group - Final outturn position for 2023/24 compared with 2022/23 and the revised budget

Outturn 2022/23	£million	Approved annual budget 2023/24	Revised annual budget 2023/24	Outturn 2023/24	Variance Overspend / (underspend) 2023/24	Variance % 2023/24
	Pay					
2,442.1	Police officer pay and overtime	2,519.6	2,562.1	2,594.0	31.9	1.2
725.3	MOPAC and police staff pay and overtime	779.0	834.1	834.4	0.3	0.0
3,167.4	**Total pay**	**3,298.6**	**3,396.2**	**3,428.4**	**32.2**	0.9
	Running expenses					
51.7	Employee related expenditure	18.1	56.7	61.3	4.6	8.1
184.9	Premises costs	175.6	193.8	199.6	5.8	3.0
93.0	Transport costs	81.0	88.8	95.4	6.6	7.4
687.2	Supplies & services	787.9	749.1	734.9	(14.2)	(1.9)
171.3	Capital financing costs	126.7	122.6	104.4	(18.2)	(14.8)
39.2	Discretionary pension costs	45.3	49.0	49.4	0.4	0.8
1,227.3	Total running expenses	1,234.6	1,260.0	1,245.0	(15.0)	(1.2)
4,394.7	Total gross expenditure	4,533.2	4,656.2	4,673.4	17.2	0.4
(1,151.3)	Total income and grants	(1,058.0)	(1,219.7)	(1,251.2)	(31.5)	2.6
3,243.4	**Net expenditure**	**3,475.2**	**3,436.5**	**3,422.2**	(14.3)	(0.4)
(74.0)	Transfer to/(from) earmarked reserve	(193.6)	(154.9)	(144.8)	10.1	(6.5)
0.0	Transfer to/(from) general reserve	0	0	12.8	12.8	0
3,169.4	**Budget requirement**	**3,281.6**	**3,281.6**	**3,290.2**	**8.6**	**0.3**
(3,185.2)	Total Funding	(3,281.6)	(3,281.6)	(3,281.6)	0	0.0
(15.8)	**Total MOPAC Group**	**0**	**0**	**8.6***	**8.6***	**0.0**

* £8.6m relates to audit adjustments for 2022/23 posted in 2023/24.

The pie charts below illustrate how the 2023/24 revenue budget was spent by type of spend and by funding streams.





The MOPAC and MPS draft outturn position is an underspend of £14.4m against the revised budget of £3,281.5m. MPS finished the year with 34,017 officers, c40 FTEs more than assumed in the Quarter Three forecast and slightly above the 34,000 FTE expected for 2024/25 opening position.

MOPAC's draft outturn position is an underspend of £1.6m and is in line with the Quarter Three forecast underspend of £1.6m. The is largely due to underspends within commissioned services. Within the outturn there is a goods receipting credit of £2.8m, this one off credit has reduced the drawdown from reserves forecast to support the overall budget. The draft outturn position included the carry forward of funds totalling £2.7m for Quarter Four for projects that will now be delivered in future years.

The net movement on earmarked and general reserves during 2023/24 is a decrease of £139.8 million as shown in Table 2 below.

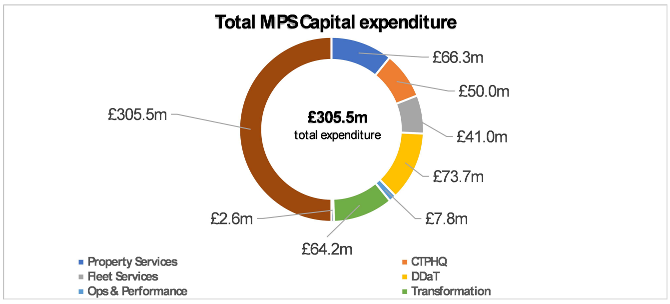
Table 2 Net movement on earmarked and general reserves 2023/24

Description	£ million
Opening reserves balance 1 April 2023	516.4
Transfers to/(from) reserves	(140.6)
Transfers to/(from) reserves - NPCC/NPOC	0.8
Closing reserves balance 31 March 2024	**376.6**

Decreases in earmarked reserves relate mainly to management of change programmes, managing future budget pressures and a range of operational costs falling in future years.

Performance against the 2023/24 Capital Programme

Capital expenditure 2023/24



Capital expenditure for 2023/24 was financed in accordance with the prudential code from capital grants, third party contributions, capital receipts and borrowing. Capital expenditure for 2023/24 was £305.5 million. This compares with the revised annual budget of £335.6 million.

Table 3 Capital Outturn position 2023/24

Actual expenditure 2022/23	Summary by programme £million	Revised budget 2023/24	Actual expenditure 2023/24	Variance overspend/ (underspend)
74.7	Property Services	64.0	66.3	2.3
48.7	CTPHQ	53.5	50.0	(3.5)
56.5	DDaT	68.1	73.7	5.6
54.8	Transformation	105.8	64.2	(41.6)
26.6	Fleet Services	35.4	41.0	5.6
7.9	Operations and Performance	8.8	7.8	(1.0)
0	Other	0	2.6	2.6
269.2	**Total**	**335.6**	**305.6**	**(30.0)**

Property based programmes - Property Services capital expenditure was £66.3 million reflecting the commitment to deliver an estate that is fit for purpose for a modern police force. The overspend is a result of accelerated Forward Works across the estate to maintain and enhance properties.

DDaT - Digital Policing spent £73.7 million across replacement of IT equipment (mostly new laptops) and core IT infrastructure which includes networks, hosting, infrastructure maintenance and applications and services upgrades. The overspend is mainly due to greater than expected spend supporting the IT replacement programme.

Transformation programme – Transformations spent £64.2 million in the year, which is £41.6 million below budget. This was a result of slippages and underspends across a range of programmes, including 'Command and Control', 'Connect' and Met CC Improvement Programme.

Fleet Services based programme – Investment in transport for 2023/24 was £41.0 million. The overspend was caused by delayed 22/23 conversion costs arising in 23/24 and forward purchasing of IRVs due to critical operational need. .

Capital financing

Capital expenditure of £305.6 million on non-current assets in 2023/24 was financed in accordance with the Prudential Code, from capital grants and other third party contributions of £61.2 million, capital receipts applied of £8.9 million, and revenue contributions of £12.8 million.

As part of the Prudential Framework a Capital Financing Requirement (CFR) is approved by MOPAC each year, which represents MOPAC's underlying need to borrow for capital expenditure. For the purposes of calculating the CFR, the amount required to be borrowed reflects both external and internal borrowing (applying our own cash balances).

Under the Framework MOPAC is required to set aside an amount called the Minimum Revenue Position (MRP). For 2023/24 the MRP was £66.1 million. The MRP is the prudent amount that the Group is required to set aside from revenue to meet the repayments of borrowing undertaken to support capital investment.

MOPAC sets an annual treasury management policy. Risk analysis and risk management strategies have been taken into account, as have plans for capital investment and cash-flow requirements.

MPS Operational Performance

Review of 2023/24 performance

The priorities of the Met over 2023/24 have continued to evolve in response to findings from internal and external assessments. The Met has now revised the Turnaround Plan – and launched A New Met for London (NMfL). The Met have also introduced a new performance framework with a new team to drive progress. To track our progress in achieving More Trust, Less Crime and High Standards, the Met have agreed a set of headline measures with the Mayor that is outlined in a NMfL. As we finalise our forward look set out below is an overview assessment of performance against the mission of More Trust, Less Crime, High Standards.

More Trust

Since MOPAC's Public Attitudes Survey began the proportion of respondents who felt the police do a good job in their local area has stood at around 67%. This fell significantly to 46% in Q3 2023/24. The Met have started to see a very small recovery in views towards the police of 1 percentage point, in particular for *police relied upon* question (+5pp) with *fair treatment* question seeing the most decline (-5pp) the Met have a long way to go to recover the trust and confidence lost over recent years.

	% agree at Q3 2023/24	**% point Change from Q3 2022/23**
Police do a good job in the local area	46%	-0
Agree the police are dealing with the things that matter to this community	57%	+1
Agree the police can be relied upon to be there when needed	59%	+5
Agree the police listen to the concerns of local people	57%	+1
Agree the police treat everyone fairly regardless of who they are	60%	-5

Public Perceptions of the Police – London Datastore

The findings of the Baroness Casey Review was a significant moment and created further impacts on trust by the nature of the difficult issues the Review covers. To rebuild the trust of London the Met have to root out those corrupting our integrity. But the more successful the Met are in this element of reform, the more horrific stories will emerge, the more worried the public will be. The harder the Met try to deliver the scale of reform required, the worse the Met will appear from the outside looking in.

The Met speak regularly about the tough measures we are taking against those who do not meet our high standards. But, the Met cannot lose sight of the tens of thousands of officers and staff delivering one of the hardest jobs in the capital. They want the MPS to rid itself of those who have no place in policing just as much as the public do. They are up for the fight. This is evident in the number of internal reports about wrongdoing doubling over the last year.

Less Crime

Through the NMfL the Met have reformed the performance framework and rolled out new performance and 'tasking and coordination' processes which are expected to be strongly embedded by July 2024. This is a reset of the approach to performance and tasking which has already seen much improvement.

The data below compares recorded crime per 1,000 of the population for the financial year period of April 2023 to December 2023 compared with the same time of the previous year[1]. The Met is seeing an increase for theft person, which is against the national trend. Every police force in England and

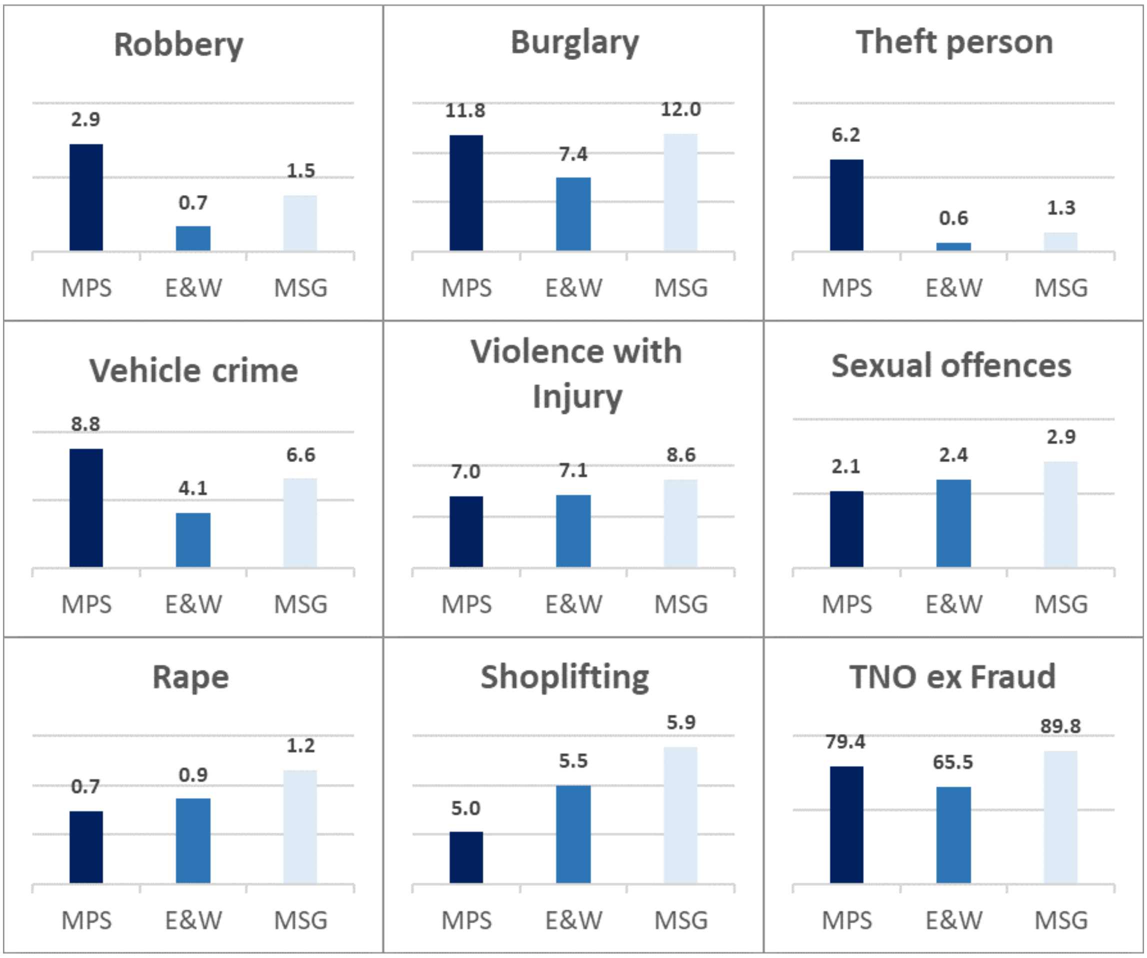
[1] Recorded crime figures for the whole of the financial year 2023/24 become available at the end of July 2024.

Wales is seeing an increase in shoplifting. However, the Met is seeing larger increases than most. Like most other forces, the Met is seeing declines in vehicle crime.

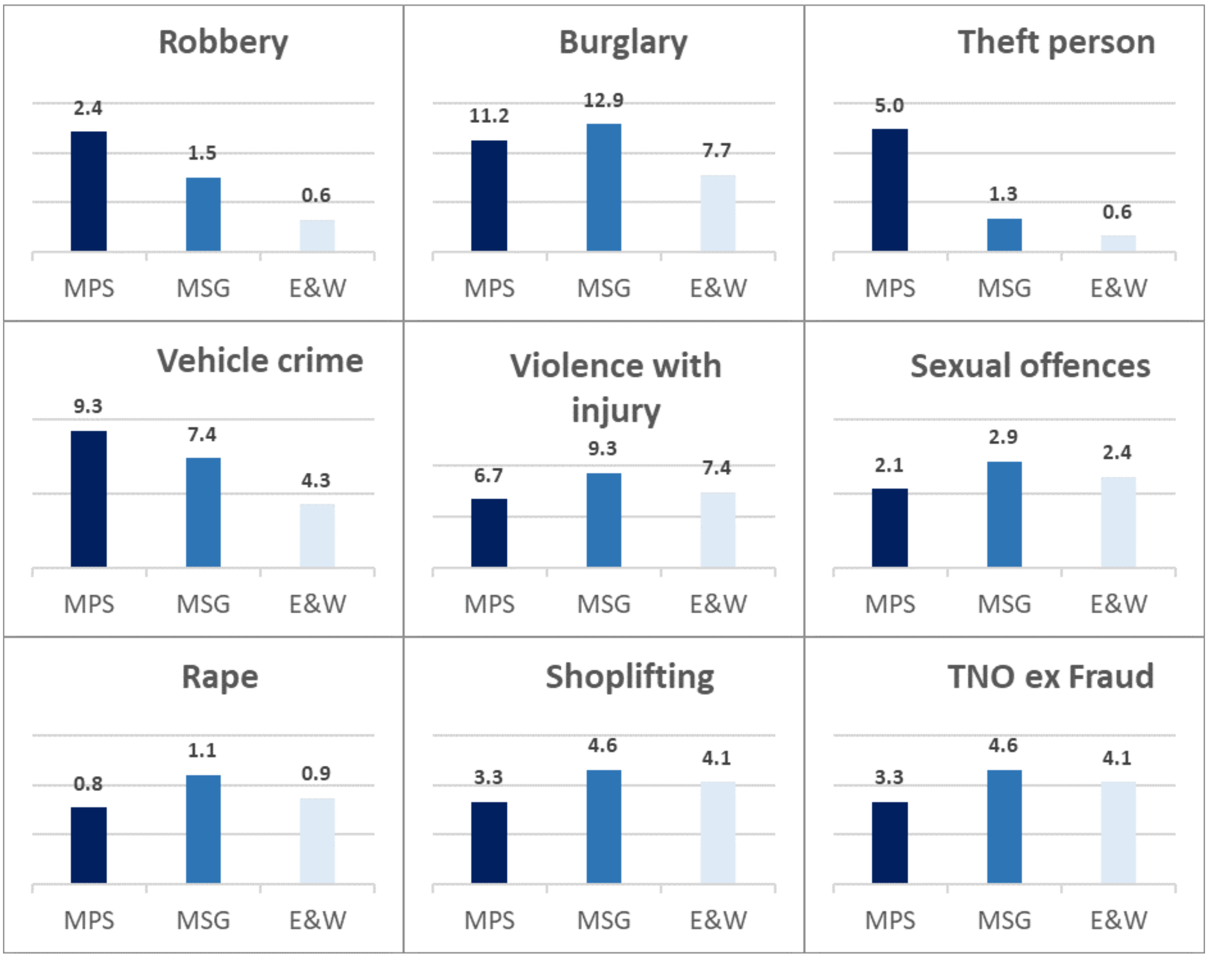
Nationally, violence with injury has seen reductions. For crimes by 1000 population, the MPS performs better against both Most Similar Group (MSG) and England and Wales (E&W) for violence with injury.

Compared to the MSG, the Met is seeing lower increases in homicides in addition the Met has had the largest reduction in rape offences when compared nationally. The MPS is also seeing a reduction in other sexual offences, however, this reduction is smaller than other forces.

FY23/24 (Apr 23-Dec23)	MPS	MSG	E&W ex MPS	Greater Manchester	West Midlands	West Yorkshire
Robbery	2.9	1.5	0.7	1.2	2.2	1.0
Burglary	11.8	12.0	7.4	10.9	13.0	12.1
Theft Person	6.2	1.3	0.6	1.9	0.9	1.0
Vehicle crime	8.8	6.6	4.1	5.5	8.6	5.4
Violence with injury	7.0	8.6	7.1	7.7	9.5	8.7
Sexual offences	2.1	2.9	2.4	2.9	2.7	3.0
Rape	0.7	1.2	0.9	1.1	1.2	1.2
Shoplifting	5.0	5.9	5.5	4.7	6.2	7.0
TNO (ex Fraud)	79.4	89.8	65.5	90.9	85.5	93.8



FY22/23 (Apr 22-Dec22)	MPS	MSG	E&W ex MPS	GMP	WMP	WYP
Robbery	2.4	1.5	0.6	1.3	2.1	1.0
Burglary	11.2	12.9	7.7	13.7	13.8	10.9
Theft Person	5.0	1.3	0.6	1.7	1.2	1.1
Vehicle crime	9.3	7.4	4.3	6.5	9.8	5.6
Violence with injury	6.7	9.3	7.4	8.2	10.3	9.4
Sexual offences	2.1	2.9	2.4	3.0	2.7	3.0
Rape	0.8	1.1	0.9	1.1	1.1	1.1
Shoplifting	3.3	4.6	4.1	4.1	4.2	5.7
TNO (ex Fraud)	74.4	96.5	68.2	96.6	94.1	99.5



Neighbourhood Crime - theft from person, personal robbery, residential burglary and vehicle crime are a key area of challenge due to the extremely high volumes in the capital relative to the number of people and resources that can be spread across priorities. Though MPS performs better than E&W and MSG for residential burglary rates per 1,000 population.

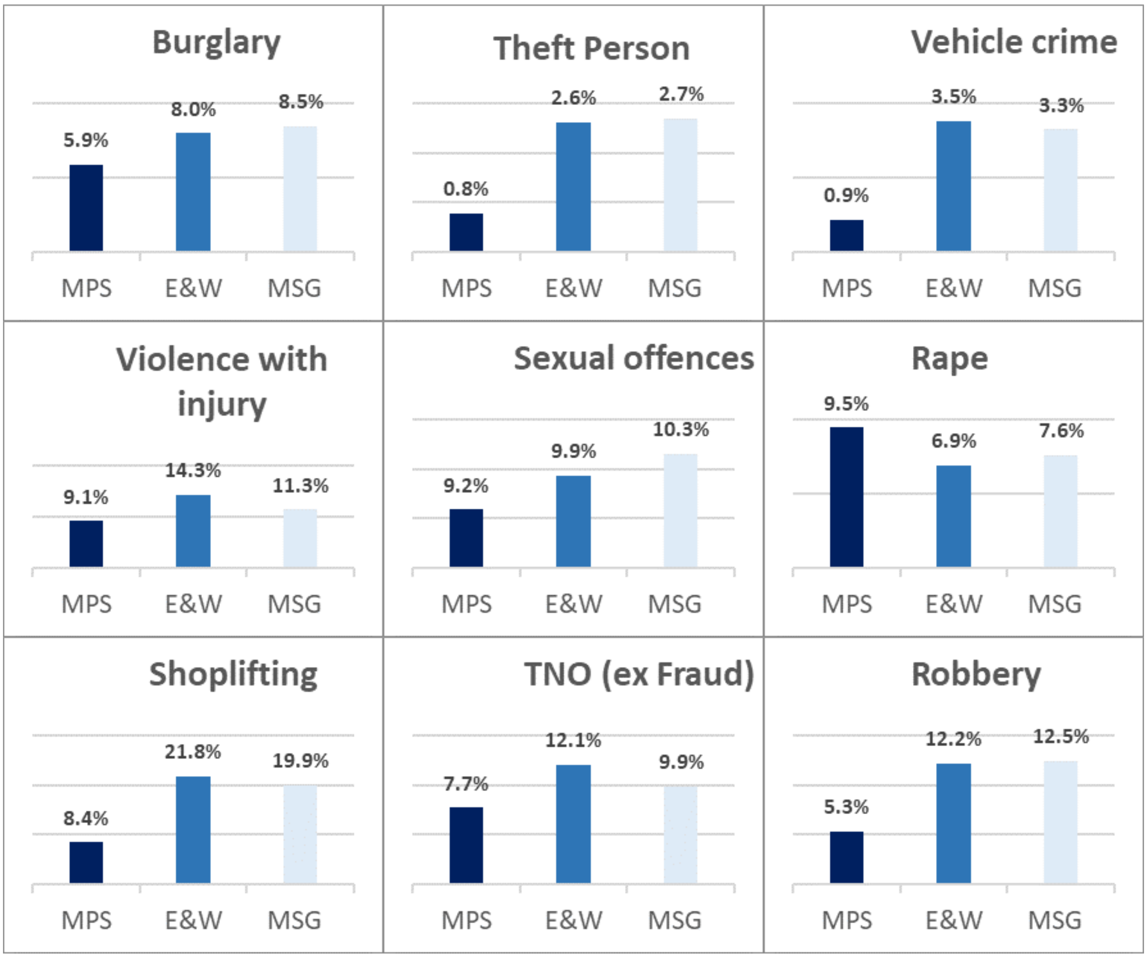
Vehicle crime is the only offence to record reductions, with theft from motor vehicle reducing and theft of motor vehicle remaining relatively stable.

On public protection offences, the Met are improving, but challenges remain. The Met perform better against E&W and our MSG for rape positive outcomes at 9.5% (ranked 9th out of the 43 forces for highest positive outcome rates). This is a +3.5pp improvement to the same period last year. The Met have done significant work through the NMfL to expand capacity within public protection teams. Another notable positive improvement can be seen in the increase in positive outcomes for Total Notifiable Offences (TNOs) at 7.7% compared with the England & Wales average of 12.1% and our MSGs at 9.9%.

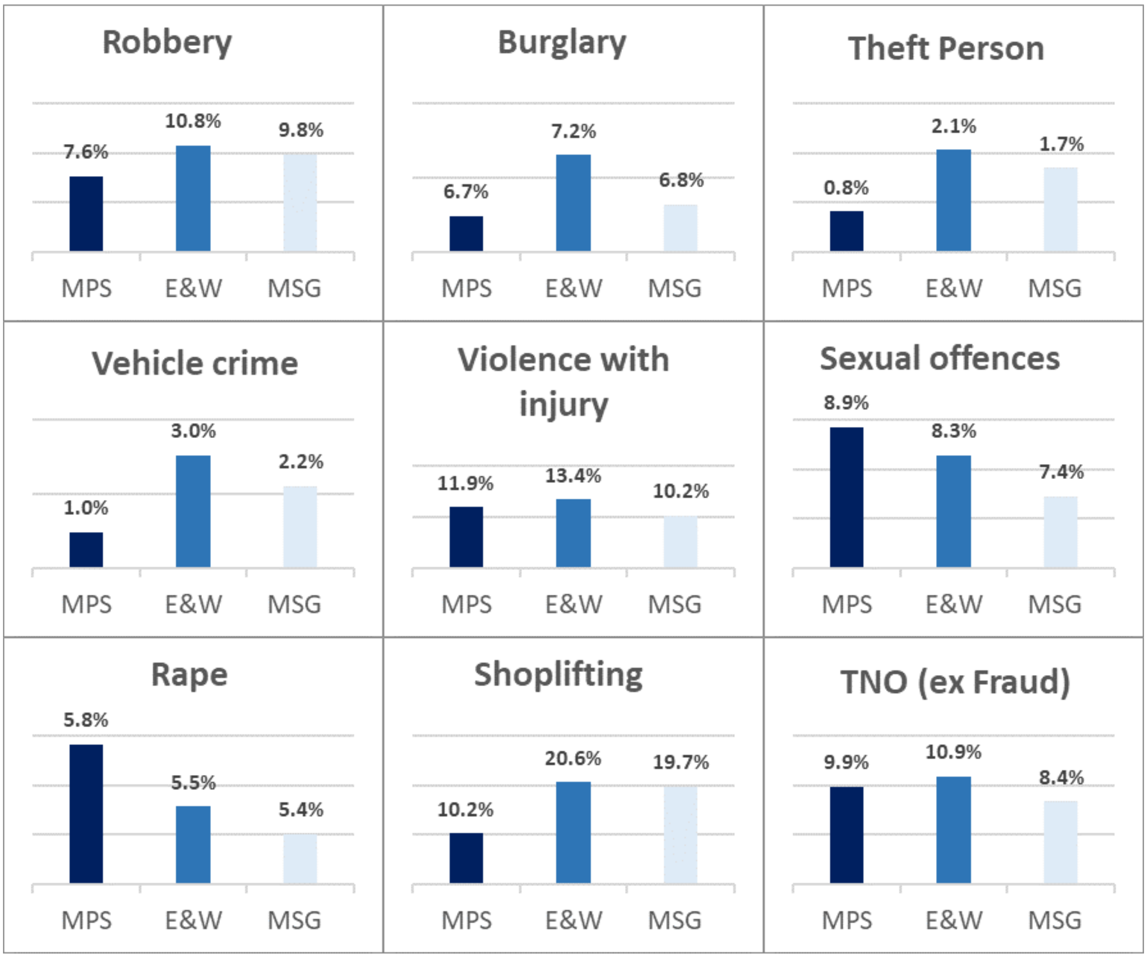
Serious Violence – Robbery, VWI and Homicide - FYTD to Dec 2023 - performance is holding up well compared to MSG - robbery is a key challenge and for VWI rates per 1,000 the Met perform better against E&W and MSG.

Crimes recorded with a charge/summons/caution/diversionary outcome (%)

MSG	PO rates FY2023/24 (Apr23 to Dec 23)	MPS	E&W ex MPS	GMP	WMP	WYP
12.5%	Robbery	5.3%	12.2%	11.0%	13.7%	11.2%
8.5%	Burglary	5.9%	8.0%	9.9%	8.5%	6.9%
2.7%	Theft Person	0.8%	2.6%	2.0%	5.4%	1.3%
3.3%	Vehicle crime	0.9%	3.5%	4.3%	2.8%	3.1%
11.3%	Violence with injury	9.1%	14.3%	12.7%	10.2%	11.5%
10.3%	Sexual offences	9.2%	9.9%	11.7%	8.6%	10.6%
7.6%	Rape	9.5%	6.9%	9.2%	5.6%	8.4%
19.9%	Shoplifting	8.4%	21.8%	19.2%	14.9%	26.0%
9.9%	TNO (ex Fraud)	7.7%	12.1%	10.6%	8.3%	10.8%



MSG	PO rate FY20222/23 (Apr22 to Dec 22)	MPS	E&W	GMP	WMP	WYP
9.8%	Robbery	7.6%	10.8%	9.6%	9.1%	12.1%
6.8%	Burglary	6.7%	7.2%	7.0%	6.3%	7.3%
1.7%	Theft Person	0.8%	2.1%	2.4%	0.7%	1.5%
2.2%	Vehicle crime	1.0%	3.0%	3.3%	1.2%	2.8%
10.2%	Violence with injury	11.9%	13.4%	11.2%	8.8%	10.9%
7.4%	Sexual offences	8.9%	8.3%	8.2%	5.4%	8.8%
5.4%	Rape	5.8%	5.5%	5.5%	3.4%	7.8%
19.7%	Shoplifting	10.2%	20.6%	18.3%	14.5%	25.6%
8.4%	TNO (ex Fraud)	9.9%	10.9%	9.1%	6.3%	9.8%



High Standards

More assertive investigations (100% increase in gross misconduct hearings) mean the Met will be removing more bad officers this year than in the history of the MPS' existence. The aim is that the Met will regularly be holding approximately 30 gross misconduct hearings and 30 gross incompetence hearings a month for the foreseeable future. More reporting, better investigations, swifter decisions, as a result of recent regulation changes, is leading to a series of regular dismissals. These cases and their volume make uncomfortable reading for all, but the MPS will be stronger, and London will be safer as a result.

This has been a key area of focus in 2023/24 – both to tackle legacy cases and proactively identifying new corruption intelligence and acting robustly. Progress has been made in both areas, including:

<u>Legacy Cases</u>

- <u>Operation Assure</u> is a new process for reviewing the vetting of serving officers and staff where the Met have identified adverse information. To date **249** referrals have been sent from DPS to Vetting, **70** individuals have had their vetting removed, **37** have had their vetting maintained and **37** have left the MPS at various stages of the Assure pipeline.
- <u>Op Dragnet</u> (process to check every member of the Met against the Police National Computer (PNC) that records convictions) has been re-run in December 2023 to assess new PNC records and any additions to extant ones. The results are being analysed and any undeclared convictions or records will be dealt with as Honesty and Integrity misconduct issues. There is close communication with vetting to trigger reviews under Op Assure when necessary.
- <u>Operation Trawl</u> is a process of checking every member of the Met against the Police National database (PND), the national intelligence database for policing. The initial data wash completed its initial phase in September 2023. **58** cases of misconduct were identified including **17** at Gross Misconduct level. These cases are still being dealt with and the Met are awaiting hearings at the most severe level.
- <u>Operation Onyx</u> is a review of officers/staff subject to an allegation of sexual offending or domestic abuse made between April 2012 and January 2023. This identified 1636 individuals of these 673 were prioritised based upon risk matrix/Cambridge Harm Index scoring for completion of a review for missed opportunities. All 1636 have been reviewed to confirm appropriate risk management measures are in place and referred those who require restrictions to be imposed. The team continue to review both risk management and sensitive/vulnerable posts regularly. (ii) The '673 Priority Cohort' been reviewed to identify any missed investigative, misconduct or safeguarding opportunities revealing 222 requiring allocation for further investigation. 69 investigations have been allocated, 33 are live and 36 completed with a variety of outcomes. (iii) The Onyx team meet the external scrutiny panel consisting of internal specialists, MOPAC and VAWG representative on a monthly basis. 127 cases have been reviewed and confirmed as No Further Action or a referral to the Integrity Assurance Unit. (iv) The Op Onyx team have completed 202 detailed referrals to Op Assure, of these, 61 subjects have had their vetting withdrawn, 35 have maintained their vetting and the remainder are 'in progress.'

<u>Proactive Prevention and Enforcement</u>

- In November 2022, the Met became the first police force in the UK to launch a public facing hotline asking for reports of Met officers abusing their position of trust. This was delivered in partnership with Crimestoppers. In the period November 2022 to February 2024, 2,878 people have contacted the Hotline. (1,988 Calls, 890 Online Reports) and there have been from Crimestoppers to MPS since launch 867 (413 Calls, 454 Online Reports) reports which were disseminated to the MPS Anti-Corruption and Abuse Command.
- Following investment into the Directorate of Professional Standards (DPS), resulting in a 76% increase in gross misconduct investigations concluded in the last 6 months of the financial year. (408 cases October to March 2023 compared to 718 cases October 2023 to March 2024)
- In the last six months of the financial year, 92 officers appeared on gross misconduct hearings which is 18% higher than the same period for the last financial year (October 2023 to March 2024).

- There has been a 48% increase in the number of officers suspended compared between April 2023 and April 2024.
- All recruit training now includes a firm professional standards input; and, leadership programmes for new and existing leaders prioritise content relating to professionalism, and the standards the organisation expects of them as leaders.

New Met For London (NMfL) Highlights

The MPS' 2024/25 budget means the Met will have to review its ambition, and will publish a revised reform agenda for the next two years, yet the Met have made significant progress in a number of key areas where reform was needed.

In Community crime-fighting, the Met will be launching a new Strongest Ever Neighbourhood Model in June 2024. This model restructures the Neighbourhood teams to improve capacity and capability, adding more inspectors and sergeants, constables and PCSOs, allocated by demand analysis. The design for the improved Borough Command Unit (BCU) operating model will be complete, with implementation of the design starting in October 2024. This design will ensure more effective tackling of crime, improved investigations and proactive policing and a more resilient emergency response.

Within the NMfL Culture change priority, the Met will launch its culture plan to drive MPS values and principles across the organisation. This will be delivered through dedicated values-based workshops, shifting the workforce's behaviour from awareness to advocacy. The London Race Action Plan (LRAP) will launch this autumn, driving targeted action and clear measures of success.

Across Fixing our Foundations, the business planning and strategic workforce planning capabilities will commence, with a stronger workforce planning and deployment in place and recruitment underway for a new business planning function.

The Met continue to transform public protection, with a new operating model to be launched in 2024. The Met have now put an additional 225 officers (of the 465 planned) into priority areas including child abuse, domestic abuse and RASSO. The Met have already expanded the Stalking and Threat Assessment Centre, with detection rates now higher. The Met will commence a pilot for Local Vulnerability Hubs, which will improve the response to missing persons' cases.

Since the HMICFRS child exploitation inspection the Met have almost doubled the number of children reported missing with exploitation concerns that are being graded as high-risk. The Met have also adopted National Best Practice, training more than 1,200 staff in identifying exploitation, resulting in a 50% increase in the volume of child exploitation concerns being identified by officers and then investigated by the child exploitation teams

The Met have taken steps towards significantly improving the service to victims of crime.

- The Met have seen a major and sustained improvement in the response to emergency, 999 calls. In April 2024, the Met answered 89.7% of 999 calls within 10 seconds. The Met launched a 101-triage desk in January 2024, which enables the needs of the caller to be assessed more quickly and removes non-policing calls and directs people to the correct lead agency. As a result of this the Met have seen further reductions in 101 abandonment rates, currently at 10.8%, and the average speed of answer.
- The Met have adopted the Right Care Right Person (RCRP) approach which ensures that Londoners receive the right support from the right agency, and means police officers are now spending more time on priority policing tasks and less time detaining people who would be better cared for by our partners. Since its launch, officers are attending fewer health calls, with deployment reducing from 41% to 29% compared to the same period last year. Each month, this equates to 6,000 fewer deployments and 34,000 officer hours that can be spent tackling crimes that are impacting Londoners instead. Six months on from the launch of Right Care, Right Person, officers are responding to 18% more urgent robbery calls and, despite the increase in volume, getting to victims faster. Officers are also spending 21% more time on scene with victims compared to the same period last year.

- The Victim Focus Desk is now live and dealing with 30,000 calls a month, with a reduced wait time from 3.5 to 2 minutes.

The Met are improving the way that they vet officers and staff, changing the approach so they are confident that only those who meet the highest standards will be granted clearance and able to join the Met. The Met have grown their vetting unit by 45% since 2021, meaning the Met have been able to undertake proactive vetting reviews and increased vetting refusal rates through additional and more thorough checks. The Met are also seeking to exploit new technology for open-source social media checks.

The Met will go further and in 2024, will implement a comprehensive new vetting policy, which will further raise standards. The Met will also make additional structural improvements to the vetting unit by Autumn 2024 and continue with the vetting transformation programme throughout the year, focusing on digitisation and the creation of a culture of continuous assurance across the MPS.

The Met are continuing to make progress on transforming their leaders:

- 98% of all MPS Sergeants and Band D staff received five days of face-to-face leadership development in the last 12 month through the First Line Leaders programme. Year 2 has been launched for new promotes on 15 April and is planned to launch for Substantives in May 2024.
- The Met's new leadership programmes for Mid-Level leaders was piloted in March 2024 and launched in April 2024 and the new leadership programmes for Senior Level leaders will launch in May 2024.
- The Met have introduced a new talent management structure for leaders, operationalised through Career Review Boards.
- The Met have also introduced new Performance Development Review processes across the Met, supported by a 9 box grid, with objectives focused on NMfL and values and principles. This will draw a thread between the Met's priorities and what individuals are clear they are expected to deliver.

In the face of significant, continued workforce and recruitment challenges, the Met have launched a major programme to ensure the MPS is resourced as effectively as possible. This includes the development of a long-term strategic workforce plan.

The Met have put in place new governance to support a more effective strategic business planning process. This will be supported by growth in enabling functions, including Strategy, Transformation, HR and Finance. The Met have also procured a new transformation delivery partner to drive reform more quickly.

Demand Pressures from Protests

Since 7 October 2023 the Met are continuing to experience significant operational challenges due to the protests relating to the Israel/Hamas conflict. The Met estimates the total cost to the Met to the end of the financial year to be approximately £38 million:

- 44,722 Met officer shifts have been completed under Operation BROCKS.
- With 9,679 shifts by officers on mutual aid.
- More than 6,000 officer rest days have been worked, impacting on officer welfare.

Dame Elish Angiolini's Inquiry

Part 1 Report of the Angiolini Inquiry, published on 29 February 2024 is an urgent call to action for all of policing. It emphasises the need for all of policing to go further and faster, to earn back the trust of all those whose confidence in policing has been shaken by events of recent years.

Regardless of the significant progress highlighted above over the past year, the scale of the change that is needed inevitably means it will take time and it is not yet complete. The majority of the MPS are determined to reform by both confronting the risk posed by predatory men in policing, and also, improving our protection of women and children across London.

The report set serious failings by the Met, Kent and CNC and exposes the fundamental flaws in the way the Met decide who is fit to be a police officer and how a corrupt and abusive police officer was able to transfer between forces. The report also sets out starkly how the policing response to non-contact sexual offences lets down victims and allows predators to become repeat offenders.

The Met need to make sure NMfL delivers the scale and ambition of reform we need, especially on vetting and non-contact sexual offences. The Met accepts the findings in full and are working closely with the NPCC and College of Policing to consider the 16 recommendations.

Delivering the 2024/25 budget and addressing our financial challenges

This budget strikes a careful and difficult balance between the MOPAC and MPS' strategic and operational priorities, but it does deliver a start of a rebalancing of the MPS' budget and resources to meet some of the challenges Casey and HMICFRS have identified. The outcome shifts the focus of our budget in three main ways, in line with the strategic priorities we set out in NMfL:

- Beginning to change the mix of the MPS workforce so there are more officers on the frontline and more skilled police staff in the right roles.
- Putting more resources in local policing, where MPS see the most stretch and risk – helping to address what Casey called 'imbalance [...] between well-resourced specialist units and a denuded frontline'.
- Placing more emphasis on fixing the foundations, including the provision of the kit and equipment needed to succeed operationally.

Delivering in the context of a limited budget requires effective governance, strong leadership and grip at all levels of the organisation. This is particularly true given the financial projections of future years – where significant budget gaps are forecast, and where there is a need to rebuild the reserves position.

A spending control framework has been introduced to ensure delivery of operational performance and reform whilst taking steps to reduce unnecessary spending. It outlines the levels of delegation for different types of spend and is necessary to protect investment in performance priorities and reform.

A 2024/25 Business Plan is being developed and will be published, which will include performance targets and reform outcomes and the people plan required to deliver.

The Budget and Business Plan Implementation Group (BPIG), will be accountable for tracking delivery of the Business Plan. It will take a holistic view of reporting from business groups and ensure a corporate approach to addressing emerging pressures and new demand and adjusting priorities in a strategic way during the financial year.

It will assure itself that spending controls are being adhered to and effective i.e. not impeding operational priorities or reform, that budgets remained aligned and that any decisions to redirect under spends or control over spends are taken in a timely matter.

It will oversee the business planning and budget cycle giving consideration to both capital and revenue budget proposals ensuring there is a balanced draft budget proposal in the Autumn in accordance with the GLA budget guidance issued each year.

End of Financial Year Crime Figures – 2023/24

Overall, total notifiable offences were higher (+6%) when compared to the previous financial year, Hate crime offences (excl.DA) also saw higher volumes compared to 2022/23, as a result of Israel/Hamas conflict.

The MPS experienced increases in most neighbourhood crime types seeing the largest increases in: theft from a person (+31.4%), personal robbery (+11.4%) and residential burglary (+2.3%) with exception of vehicle crime which saw a decline (-4.5%). The MPS did see reductions in some serious violence crime types, recording fewer homicide victims (-2 victims) and fewer gun lethal barrel discharges (-76 discharges). Although, like most other police forces the MPS has seen an increase in knife crime offences (+13.5%) with smaller increases of violence with injury (+2.3%). Conversely, public protection crime types such as rape, other sexual offences and domestic abuse all saw reductions at 3.8%, 1.6% and -0.4% respectively.

Aside from the offences measured in the Performance Framework, acquisitive crime such as shoplifting and commercial robbery saw significant increases compared to 2022/20223 at 44.8% and 60.7% respectively.

The full set of crime statistics can be found at: https://www.met.police.uk/sd/stats-and-data/

The Balance Sheet

The net worth of MOPAC and the MOPAC Group (excluding the cost of Police Officer pensions liabilities which are subject to a separate funding arrangement agreed year on year with the Home Office) decreased by £316 million (from £2,078 million to £1,762 million) during 2023/24. MOPAC considers that the Balance Sheet is adequate as evidenced by earmarked reserves and General Reserves, however there is a need to increase the level of general reserve in the future as the additional resilience provided by earmarked reserves cannot be relied on in the longer term. This requirement is set out in the 2024/25 reserves strategy and will be a key part of the framework for developing the 2025/26 budget.

Reserves

MOPAC is required to publish a Reserves Strategy and the 2024/25 reserves strategy states the General Reserves should be maintained at a level of 2-3% of the net revenue budget subject to the sensitivity and risks in the Medium-Term Financial Plan.

The year end balance of £66.6m represents 1.9% of net revenue expenditure which is an improvement on the forecast position of £46.6m. The reserves strategy recognises that the Medium Term Financial Plan will required planned contributions to the General Reserve to ensure the target level of 3% is achieved.

MOPAC also hold Earmarked reserves, the balance of which was £309.9 million as at 31 March 2024. Earmarked reserves are being held for specific purposes, including facilitating the transformation programme, managing one-off impacts against the medium-term budget, and statutorily ring-fenced accounts (such as the Proceeds of Crime Act income).

Pensions

The Police Officer Pension Liability and Police Officer Pension Reserve, which are disclosed on the Group Balance Sheet, reflect the cost of paying police officers in the future to the extent they had earned entitlement to pension benefits for periods up to and including 2023/24 in line with IAS 19. Police pension costs are recognised in the Commissioner of Police of the Metropolis CIES in the first instance along with other employee costs but are ultimately funded by MOPAC. Recognition of the total liability has a substantial impact on the net worth of the MOPAC Group. The fund valuation shows a decrease in liabilities due in the main to the change in actuarial assumptions used to calculate the pensions liability. Pension contributions of 31% of pensionable pay are made to finance the liability, with the actual pensions and commuted lump sums being met directly by the Police Pension Fund Revenue Account. The shortfall on the pension fund between contributions and other income receivable and benefits payable was met by the Home Office in 2023/24.

Outlook for 2024/25

In March 2024 in support of the Police and Crime ambitions and the ambitions of the New Met for London Plan the 2024/25 gross revenue budget was set at £4,443.8 million, an increase of £157 million from the revised 2023/24 budgeted figure of £4,286.8 million. The budget is funded by a general government grant of £2,401.6 million, retained business rates of £129.2 million, collection fund surplus £50.2 million, Local government settlement grant £5.2 million and council tax of £963.7 million. Additionally, MOPAC is budgeting to receive £738.4 million in specific grants, and is planning to draw down £155.6 million from reserves. More detail can be found in Final 2024-25 Budget for DMPC Clean.pdf

The Medium-Term Financial Plan (MTFP) has been constructed on a medium-term basis and there is a need to ensure adequate resilience in future years. The MTFP provides for a balanced budget in 2024/25 however there are risks that will need to be carefully managed during the year through an enhanced control environment.

There is a forecast gap of c£300m in 2025/26 increasing to £350m in 2027/28 and urgent work to develop a business planning approach that supports the reprioritisation of existing resources is needed. Addressing the gap is a priority for MOPAC and MPS and the new governance arrangements will ensure that there is an agreed approach to doing so early in the new financial year. Over the longer-term there is a critical need to put MPS finances on a stronger sustainable footing.

The revenue budget and the capital programme are intrinsically linked and there is an increasing revenue impact that has been a key consideration in developing the budget. Borrowing levels that have been subdued due to high levels of capital receipts in previous year are forecast to increase in the future. Affordability of the capital plans in the context of the challenges on the revenue budget and knock on impact on operational delivery will be a key consideration in future budget setting processes.

The MOPAC five-year capital spending plan, for 2022-23 to 2026-27 totals approximately £1.4 billion, across transformation and other activities such as property lifecycle works, vehicle fleet, Core IT infrastructure and National Counter Terrorism Policing Headquarters. Capital expenditure of £340.5 million is planned for 2024/25. This expenditure will continue to focus on transforming the MPS estate, IT core infrastructure and transforming investigation and prosecution. As well as improving operational effectiveness, this investment will be required to deliver planned future revenue savings and meet the needs of a larger force given planned increase in officer numbers. Capital expenditure will be financed through a combination of receipts, grants and borrowing.

The Statement of Accounts

The 2023/24 MOPAC Group Statement of Accounts is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2023/24.

The Accounts reflect the current legislative framework as well as the local arrangements operating in practice. Key elements of this framework include:

- The Police Reform and Social Responsibility Act 2011 (the Act);
- The Home Office Financial Management Code of Practice for the Police Forces of England and Wales 2018;

- MOPAC Scheme of Consent and Delegation;
- MOPAC Financial Regulations;
- MOPAC Contract Regulations.

Under the legislative framework and local arrangements, MOPAC is responsible for the finances of the whole Group and controls the assets, liabilities and reserves. MOPAC has responsibility for entering into contracts and establishing the contractual framework under which the Commissioner's officers and staff operate. MOPAC receives all income and funding and makes all the payments for the Group from the MOPAC Police Fund.

In turn the Commissioner fulfils their statutory responsibilities for delivering an efficient and effective police force within an annual budget, which is set by the Mayor in consultation with the Commissioner. The Commissioner ultimately has a statutory responsibility for maintaining the King's peace and to do this has direction and control over their police officers and police staff. It is recognised that in exercising day-to-day direction and control the Commissioner will undertake activities, incur expenditure and generate income to allow the police service to operate effectively.

It is appropriate that a distinction is made between the financial impact of this day-to-day direction and control of the force and the overarching strategic control exercised by the DMPC. Therefore the expenditure in respect of operational policing, police officer and staff costs is shown in the CPM Accounts, with the main sources of funding (i.e. central government grants and Council Tax) and the vast majority of balances being recognised in the MOPAC Accounts. The MOPAC Group Accounts shows the overall cost of policing London and includes both the cost of administering MOPAC and MOPAC expenditure on community safety and crime prevention and the Commissioner's expenditure on operational policing.

The accounting arrangements between MOPAC and the CPM are detailed more fully in Note 6 to the Accounts on page 25.

Accounting Changes for 2023/24

There were no changes in the CIPFA Code 2023/24 which materially affected the MOPAC Statement of Accounts.

Annual Governance Statement

The Accounts and Audit Regulations 2015 require that the Annual Governance Statement (AGS) accompanies the Statement of Accounts. MOPAC has elected to publish the AGS as a separate document to the Statement of Accounts. The AGS is a statutory document which explains the governance processes and procedures in place to enable MOPAC to carry out its functions effectively. The AGS highlights MOPAC's and the CPM's internal control environment, comments on its effectiveness and identifies issues for future work. The CPM also publishes an Annual Governance Statement focusing on the risk management and internal control framework in the MPS. Reliance is placed on this in drawing up MOPAC's Annual Governance Statement.

Independent auditor's report to the Mayor's Office for Policing and Crime

To be completed in September after 2024 audit

Statement of responsibilities for the Accounts

Deputy Mayor's Responsibilities

The Deputy Mayor For Policing And Crime is required to:

- Make arrangements for the proper administration of the Mayor's Office for Policing And Crime's financial affairs and to secure that one of its officers (Chief Financial Officer) has responsibility for the administration of those affairs;

- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;

- Approve the Statement of Accounts.

Chief Financial Officer's Responsibilities

The Chief Financial Officer of MOPAC is responsible for the preparation of the Statement of Accounts for MOPAC in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this Statement of Accounts, MOPAC has:

- Selected suitable accounting policies and then applied them consistently;

- Made judgements and estimates that were reasonable and prudent;

- Complied with the Code;

- Kept proper accounting records which were up to date; and

- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts gives a true and fair view of the financial position of MOPAC and MOPAC Group at the accounting date and of the income and expenditure for the year ended 31 March 2024.

Signed
Lisa Kitto
Interim Chief Financial Officer

Dated: 31 May 2024

MOPAC Group Comprehensive Income and Expenditure Statement (CIES) for 2023/24

£000	Notes	Year ending 31 March 2024 Gross expenditure	Year ending 31 March 2024 Income	Year ending 31 March 2024 Net expenditure	Year ending 31 March 2023 Gross Expenditure restated	Year ending 31 March 2023 Income restated	Year ending 31 March 2023 Net Expenditure restated
Frontline Policing		1,487,568	(69,862)	**1,417,706**	1,277,439	(65,623)	**1,211,816**
Specialist Operations		586,453	(624,107)	**(37,654)**	526,841	(581,946)	**(55,105)**
Operations and Performance		1,095,527	(237,042)	**858,485**	948,991	(251,395)	**697,596**
People and Resources		406,962	(61,222)	**345,740**	460,831	(65,030)	**395,801**
Professionalism		113,430	(18,047)	**95,383**	97,512	(16,539)	**80,973**
Digital, Data and Technology		234,945	(16,048)	**218,897**	226,064	(9,089)	**216,975**
Strategy and Transformation		105,610	0	**105,610**	62,703	0	**62,703**
Comms and Engagement		24,136	(8,164)	**15,972**	26,446	(6,638)	**19,808**
Centrally Held		152,826	(183,005)	**(30,179)**	110,311	(126,748)	**(16,437)**
MOPAC		130,425	(49,021)	**81,404**	112,251	(52,432)	**59,819**
Cost of services	1.1	**4,337,882**	**(1,266,518)**	**3,071,364**	3,849,389	(1,175,440)	2,673,949
Other operating expenditure							
Net gains on disposal of non-current assets	13.1			**10,678**			**(30,548)**
Financing and investment							
Interest payable and similar charges	11			**26,467**			**26,684**
Interest on Police Officer Pension Defined Benefit Liability	6.2 12.1			**1,144,400**			**1,061,600**
Interest and investment income				**(23,701)**			**(10,842)**
Investment properties revaluation	16			**(80)**			**3,330**
Grants							
Non Specific Grants	14			**(3,281,557)**			**(3,185,180)**
Capital grants	14.1			**(61,203)**			**(64,516)**
Deficit on provision of services				**886,368**			**474,477**
Other comprehensive income and expenditure							
Surplus on revaluation of non-current assets				**39,203**			**(150,284)**
Surplus or deficit from investments in equity instruments designated at fair value through other comprehensive income				**(2,415)**			**0**
Re-measurements of the defined benefit liability	6.2 12.1			**(751,100)**			**(15,294,500)**
Other comprehensive income and expenditure				**(714,312)**			**(15,444,784)**
Total comprehensive income and expenditure				**172,056**			**(14,970,307)**

The statement above shows the accounting cost for the period 1 April 2023 to 31 March 2024 (with prior year as a comparative year) of providing services for the Group, in accordance with generally accepted accounting practices, in addition to the amount of funding by way of grant income.

MOPAC Comprehensive Income and Expenditure Statement (CIES) for 2023/24

£000	Notes	Year ending 31 March 2024 Gross expenditure	Year ending 31 March 2024 Income	Year ending 31 March 2024 Net expenditure	Year ending 31 March 2023 Gross expenditure	Year ending 31 March 2023 Income	Year ending 31 March 2023 Net
Intra-group funding -policing		4,150,952	(1,217,497)	**2,933,455**	3,604,682	(1,123,008)	2,481,674
MOPAC - Other		130,425	(49,021)	**81,404**	112,251	(52,432)	59,819
Revaluation loss not charged to CPM		56,505	0	**56,505**	132,456	0	132,456
Cost of services	1.2	**4,337,882**	**(1,266,518)**	**3,071,364**	**3,849,389**	**(1,175,440)**	**2,673,949**
Other operating expenditure							
Net gains on disposal of non-current assets	13.1			**10,678**			**(30,548)**
Interest on Police Officer Pension Defined Benefit Liability - intra-group funding	6.2, 12.1			**1,144,400**			**1,061,600**
Re-measurements of the defined benefit liability - intra-group funding	6.2, 12.1			**(751,100)**			**(15,294,500)**
Financing and investment							
Interest payable and similar charges	11			**26,467**			**26,684**
Interest and investment income				**(23,701)**			**(10,842)**
Investment properties revaluation	16			**(80)**			**3,330**
Grants							
Non Specific Grants	14			**(3,281,557)**			**(3,185,180)**
Capital grants	14.1			**(61,203)**			**(64,516)**
Surplus on provision of services				**135,268**			**(14,820,023)**
Other income and expenditure							
Surplus on revaluation of non current assets				**39,203**			**(150,284)**
Instruments designated at fair value through other comprehensive income				**(2,415)**			
Total comprehensive income and expenditure				**172,056**			**(14,970,307)**

The statement above shows the accounting cost for the period 1 April 2023 to 31 March 2024 (with prior year as a comparative year) of providing services in accordance with generally accepted accounting practices for MOPAC, in addition to the amount of funding by way of grant income. The consolidated accounting cost and funding for the MOPAC Group to 31 March 2023 is shown on the page before.

MOPAC Group Movement in Reserves Statement (MIRS) for the year ended 31 March 2024

£000	General Reserves Balance	Earmarked revenue reserves	Total General and Earmarked reserves	Capital receipts reserve	Other useable capital reserves	Total usable reserves	Unusable reserves	Total group reserves
At 31 March 2023	**(62,365)**	**(454,034)**	**(516,399)**	**0**	**(2,204)**	**(518,603)**	**22,782,292**	**22,263,689**
Movement in reserves during 2023/24								
Total comprehensive income and expenditure	**886,368**	**0**	**886,368**	**0**	**0**	**886,368**	(714,312)	**172,056**
Adjustments between accounting basis & funding basis under regulations (note 27)	(746,573)	0	**(746,573)**	0	0	**(746,573)**	746,573	**0**
Net (increase) / decrease before transfers to earmarked reserves	**139,795**	**0**	**139,795**	**0**	**0**	**139,795**	**32,261**	**172,056**
Transfers (to) / from earmarked reserves (note 26.3)	(144,060)	144,060	0	0	0	**0**	0	**0**
(Increase) / decrease in year	**(4,265)**	**144,060**	**139,795**	**0**	**0**	**139,795**	**32,261**	**172,056**
Balance at 31 March 2024	**(66,630)**	**(309,974)**	**(376,604)**	**0**	**(2,204)**	**(378,808)**	**22,814,553**	**22,435,745**

This statement shows the movement in the year to 31 March 2024 on the different reserves held by the Group, analysed into usable reserves and unusable reserves. MOPAC is required to show the movement of resources on a statutory basis within the financial statements and adjustments are made to convert from an accounting basis to a statutory funding basis. The 'Net (Increase)/Decrease Before Transfers to Earmarked Reserves' line shows the statutory General Reserves Balance after the adjustments (above), before any discretionary transfers to or from Earmarked Reserves are undertaken by the Group.

There are no adjustments between the authority and group accounts

MOPAC Movement in Reserves Statement (MIRS) for the year ended 31 March 2024

£000	General Reserves Balance	Earmarked revenue reserves	Total General and Earmarked reserves	Capital receipts reserve	Other useable capital reserves	Total usable reserves	Unusable reserves	Total group reserves
At 31 March 2023	**(62,365)**	**(454,034)**	**(516,399)**	**0**	**(2,204)**	**(518,603)**	**22,782,292**	**22,263,689**
Movement in reserves during 2023/24								
Total comprehensive income and expenditure	**135,268**	**0**	**135,268**	**0**	**0**	**135,268**	36,788	**172,056**
Adjustments between accounting basis & funding basis under regulations (note 27)	4,527	0	**4,527**	0	0	**4,527**	(4,527)	**0**
Net (increase) / decrease before transfers to earmarked reserves	**139,795**	**0**	**139,795**	**0**	**0**	**139,795**	**32,261**	**172,056**
Transfers (to) / from earmarked reserves (note 26.3)	(144,060)	144,060	0	0	0	**0**	0	**0**
(Increase) / decrease in year	**(4,265)**	**144,060**	**139,795**	**0**	**0**	**139,795**	**32,261**	**172,056**
Balance at 31 March 2024	**(66,630)**	**(309,974)**	**(376,604)**	**0**	**(2,204)**	**(378,808)**	**22,814,553**	**22,435,745**

This statement shows the movement in the year to 31 March 2024 on the different reserves held by MOPAC, analysed into usable reserves and unusable reserves. MOPAC is required to show the movement of resources on a statutory basis within the financial statements and adjustments are made to convert from an accounting basis to a statutory funding basis (note 29). The 'Net (Increase)/Decrease Before Transfers to Earmarked Reserves' line shows the statutory General Reserves Balance after the adjustments (above), before any discretionary transfers to or from Earmarked Reserves are undertaken by MOPAC.

MOPAC Group Movement in Reserves Statement (MIRS) for the year ended 31 March 2023

£000	General Reserves Balance	Earmarked revenue reserves	Total General and Earmarked reserves	Capital receipts reserve	Other useable capital reserves	Total usable reserves	Unusable reserves	Total group reserves
At 31 March 2022	**(46,576)**	**(529,347)**	**(575,923)**	**0**	**(2,469)**	**(578,392)**	**37,812,388**	**37,233,996**
Movement in reserves during 2022/23								
Total comprehensive income and expenditure	**474,477**	**0**	**474,477**	**0**	**0**	**474,477**	(15,444,784)	**(14,970,307)**
Adjustments between accounting basis & funding basis under regulations (note 27)	(414,953)	0	**(414,953)**	0	265	**(414,688)**	414,688	**0**
Net (increase) / decrease before transfers to earmarked reserves	**59,524**	**0**	**59,524**	**0**	**265**	**59,789**	**(15,030,096)**	**(14,970,307)**
Transfers (to) / from earmarked reserves (note 26.3)	(75,313)	75,313	0	0	0	**0**	0	**0**
(Increase) / decrease in year	**(15,789)**	**75,313**	**59,524**	**0**	**265**	**59,789**	**(15,030,096)**	**(14,970,307)**
Balance at 31 March 2023	**(62,365)**	**(454,034)**	**(516,399)**	**0**	**(2,204)**	**(518,603)**	**22,782,292**	**22,263,689**

This statement shows the movement in the year to 31 March 2023 on the different reserves held by the Group, analysed into usable reserves and unusable reserves. MOPAC is required to show the movement of resources on a statutory basis within the financial statements and adjustments are made to convert from an accounting basis to a statutory funding basis. The 'Net (Increase)/Decrease Before Transfers to Earmarked Reserves' line shows the statutory General Reserves Balance after the adjustments (above), before any discretionary transfers to or from Earmarked Reserves are undertaken by the Group.

There are no adjustments between the authority and group accounts

MOPAC Movement in Reserves Statement (MIRS) for the year ended 31 March 2023

£000	General Reserves Balance	Earmarked revenue reserves	Total General and Earmarked reserves	Capital receipts reserve	Other useable capital reserves	Total usable reserves	Unusable reserves	Total group reserves
At 31 March 2022	**(46,576)**	**(529,347)**	**(575,923)**	**0**	**(2,469)**	**(578,392)**	**37,812,388**	**37,233,996**
Movement in reserves during 2022/23								
Total comprehensive income and expenditure	**(14,820,023)**	**0**	**(14,820,023)**	**0**	**0**	**(14,820,023)**	(150,284)	**(14,970,307)**
Adjustments between accounting basis & funding basis under regulations (note 27)	14,879,547	0	**14,879,547**	0	265	14,879,812	(14,879,812)	**0**
Net (increase) / decrease before transfers to earmarked reserves	**59,524**	**0**	**59,524**	**0**	**265**	59,789	**(15,030,096)**	**(14,970,307)**
Transfers (to) / from earmarked reserves (note 26.3)	(75,313)	75,313	0	0	0	**0**	0	**0**
(Increase) / decrease in year	**(15,789)**	**75,313**	**59,524**	**0**	**265**	**59,789**	**(15,030,096)**	**(14,970,307)**
Balance at 31 March 2023	**(62,365)**	**(454,034)**	**(516,399)**	**0**	**(2,204)**	**(518,603)**	**22,782,292**	**22,263,689**

This statement shows the movement in the year to 31 March 2023 on the different reserves held by MOPAC, analysed into usable reserves and unusable reserves. MOPAC is required to show the movement of resources on a statutory basis within the financial statements and adjustments are made to convert from an accounting basis to a statutory funding basis (note 29). The 'Net (Increase)/Decrease Before Transfers to Earmarked Reserves' line shows the statutory General Reserves Balance after the adjustments (above), before any discretionary transfers to or from Earmarked Reserves are undertaken by MOPAC.

MOPAC Group Balance Sheet

£000	Notes	31 March 2024	31 March 2023
Non current assets			
Property, plant and equipment	16	2,729,012	2,703,642
Heritage assets	16	1,316	1,308
Investment properties	16	2,840	2,760
Intangible assets	16	16	2
Total non current assets		**2,733,184**	**2,707,712**
Long Term Investments		9,664	3,732
Total long term assets		**2,742,848**	**2,711,444**
Current assets			
Assets held for sale	17	12,824	25,174
Inventories		3,642	2,684
Short term debtors	18	387,076	384,540
Cash & cash equivalents	19	11,564	198,455
Total current assets		**415,106**	**610,853**
Current liabilities			
Short term creditors	20	(699,996)	(645,569)
Short term borrowing	21	(128,855)	(15,972)
Provisions	23.1	(34,069)	(24,989)
Bank overdrafts	19	0	(3,856)
Total current liabilities		**(862,920)**	**(690,386)**
Long term liabilities			
Provisions	23.2	(12,857)	(19,311)
Long term borrowing	24	(472,950)	(479,550)
Capital grants receipts in advance		(4,553)	(4,553)
Long term contractor liability	25	(42,219)	(49,686)
Police officer pension liability	12.1	(24,198,200)	(24,342,500)
Total long term liabilities		**(24,730,779)**	**(24,895,600)**
Net assets/(liabilities)		**(22,435,745)**	**(22,263,689)**
Financed by:			
Unusable Reserves	26.1	(22,814,553)	(22,782,292)
Usable reserves	26.2-3	378,808	518,603
Total reserves		**(22,435,745)**	**(22,263,689)**

The Balance Sheet shows the value as at 31 March 2024 (with prior year as a comparative year) of the assets and liabilities recognised by the Group. The net liabilities of the Group (assets less liabilities) are matched by the reserves held by the Group.

MOPAC Balance Sheet

£000	Notes	31 March 2024	31 March 2023
Non current assets			
Property, plant and equipment	16	2,729,012	2,703,642
Heritage assets	16	1,316	1,308
Investment properties	16	2,840	2,760
Intangible assets	16	16	2
Total non current assets		**2,733,184**	**2,707,712**
Long Term Investments		9,664	3,732
Total long term assets		**2,742,848**	**2,711,444**
Current assets			
Assets held for sale	17	12,824	25,174
Inventories		3,642	2,684
Short term debtors	18	387,076	384,540
Cash & cash equivalents	19	11,564	198,455
Total current assets		**415,106**	**610,853**
Current liabilities			
Short term creditors	20	(475,190)	(447,864)
Short term borrowing	21	(128,855)	(15,972)
Provisions	23.1	(34,069)	(24,989)
Intra-group Creditor	6.2	(224,806)	(197,705)
Bank Overdrafts	19	0	(3,856)
Total current liabilities		**(862,920)**	**(690,386)**
Long term liabilities			
Provisions	23.2	(12,857)	(19,311)
Long term borrowing	24	(472,950)	(479,550)
Capital grants receipts in advance		(4,553)	(4,553)
Long term contractor liability	25	(42,219)	(49,686)
Police officer pension liability - Intra-group liability	6.2	(24,198,200)	(24,342,500)
Total long term liabilities		**(24,730,779)**	**(24,895,600)**
Net assets/(liabilities)		**(22,435,745)**	**(22,263,689)**
Financed by:			
Unusable Reserves	26.1	(22,814,553)	(22,782,292)
Usable reserves	26.2-3	378,808	518,603
Total reserves		**(22,435,745)**	**(22,263,689)**

The Balance Sheet shows the value as at 31 March 2024 (with prior year as a comparative year) of the assets and liabilities recognised by MOPAC. The net liabilities of MOPAC (assets less liabilities) are matched by the reserves held by MOPAC.

MOPAC Group and MOPAC Cash Flow Statement

£000	Notes	Year ending 31 March 2024-Group	Year ending 31 March 2023-Group	Year ending 31 March 2024-MOPAC	Year ending 31 March 2023-MOPAC
Net (surplus) or deficit on the provision of services		886,368	474,477	135,268	(14,820,023)
Adjustments to net (surplus)or deficit on the provision of services for non-cash movements	28.2	(909,555)	(729,389)	(158,455)	14,565,111
Adjustments for items in the net (surplus) or deficit on the provision of services that are investing or financing activities	28.3	61,412	149,197	61,412	149,197
Net cash flows from operating activities		**38,225**	**(105,715)**	**38,225**	**(105,715)**
Investing activities	28.4	238,838	110,850	238,838	110,850
Financing activities	28.5	(94,028)	(190,240)	(94,028)	(190,240)
Net (increase)/decrease in cash and cash equivalents		**183,035**	**(185,105)**	**183,035**	**(185,105)**
Cash and cash equivalents at the beginning of the period		194,599	9,494	194,599	9,494
Cash and cash equivalents at the end of the period		**11,564**	**194,599**	**11,564**	**194,599**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Group and MOPAC during the reporting period (with prior year as a comparative year). The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the way the Group has managed its cash outflows against the monies received by way of grant income and from the recipients of services provided by the Group.

Investing activities shows how the Group has made best use of its resources which are intended to contribute to the Group's future service delivery. Cash flows arising from financing activities consist of short and long term borrowing in addition to repayment of PFI and finance lease liabilities and other payments for financing activities and are useful in predicting claims on future cash flows by providers of capital (e.g. borrowing) to the Group.

Notes to the Financial Statements for the Mayor's Office For Policing And Crime and the MOPAC Group

This set of notes represents the consolidated notes for the Statement of Accounts for 2023/24 as presented in the preceding pages 1 to 9.

1. Expenditure and Funding Analysis

1.1 Group expenditure and funding analysis

Group expenditure and funding analysis 2023/24 £000	**As reported for resource management**	**Adjustments to arrive at the amount chargeable to the General Reserves balance** Note 1	**Net Expenditure chargeable to the General Reserves balance**	**Adjustments between the Funding and Accounting Basis**	**Net Expenditure in the Comprehensive Income and Expenditure Statement**
Frontline policing	1,635,028	(2,890)	1,632,138	(214,432)	1,417,706
Specialist operations	(2,865)	(448)	(3,313)	(34,341)	(37,654)
Operations and Performance	880,090	1,093	881,183	(22,698)	858,485
People and Resources	347,671	2,984	350,655	(4,915)	345,740
Professionalism	97,303	1,533	98,836	(3,453)	95,383
Digital, Data and Technology	214,962	2,481	217,443	1,454	218,897
Strategy and Transformation	79,069	28,780	107,849	(2,239)	105,610
Comms and Engagement	15,463	0	15,463	509	15,972
Centrally held	(70,807)	107,735	36,928	(67,107)	(30,179)
MOPAC	72,799	8,605	81,404	0	81,404
Net cost of service	**3,268,713**	**149,873**	**3,418,586**	**(347,222)**	**3,071,364**
Other income and expenditure	(3,281,557)	2,766	(3,278,791)	1,093,795	(2,184,996)
Surplus or deficit on General Reserves	**(12,844)**	**152,639**	**139,795**	**746,573**	**886,368**
Opening General Reserves balance at 31 March 2023			(62,365)		
Surplus/Deficit on General Reserves in year			139,795		
Transfers to/(from) Earmarked Reserves			(144,060)		
Closing General Reserves balance at 31 March 2024			**(66,630)**		

Adjustments between the funding and accounting basis **2023/24** **£000**	**Adjustments for capital purposes** **Note 2**	**Net change for the pensions adjustments** **Note 3**	**Other differences** **Note 4**	**Total Adjustments**
Frontline Policing	124,523	(358,028)	19,073	(214,432)
Specialist Operations	24,466	(61,960)	3,153	(34,341)
Operations and Performance	64,427	(91,065)	3,940	(22,698)
People and Resources	5,365	(10,583)	303	(4,915)
Professionalism	7,489	(11,440)	498	(3,453)
Digital, Data and Technology	1,985	(492)	(39)	1,454
Strategy and Transformation	1,601	(4,032)	192	(2,239)
Comms and Engagement	528	0	(19)	509
Centrally held	(67,107)	0	0	(67,107)
MOPAC	0	0	0	0
Net cost of service	163,277	(537,600)	27,101	(347,222)
Other income and expenditure	(50,605)	1,144,400	0	1,093,795
Difference between General Reserves surplus or deficit and CIES surplus or deficit on the provision of services	112,672	606,800	27,101	746,573

Group expenditure and funding analysis 2022/23 restated £000	As reported for resource management	Adjustments to arrive at the amount chargeable to the General Reserves balance Note 1	Net Expenditure chargeable to the General Reserves balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
Frontline policing	1,527,594	(3,831)	1,523,763	(311,947)	1,211,816
Specialist operations	(2,853)	(3,464)	(6,317)	(48,788)	(55,105)
Operations and Performance	741,425	150	741,575	(43,979)	697,596
People and Resources	415,182	4,143	419,325	(23,524)	395,801
Professionalism	85,236	1,771	87,007	(6,034)	80,973
Digital, Data and Technology	232,455	(6,999)	225,456	(8,481)	216,975
Strategy and Transformation	56,422	10,003	66,425	(3,722)	62,703
Comms and Engagement	19,018	256	19,274	534	19,808
Centrally Held	45,850	46,685	92,535	(108,972)	(16,437)
MOPAC	64,851	(5,032)	59,819	0	59,819
Net cost of service	**3,185,180**	**43,682**	**3,228,862**	**(554,913)**	**2,673,949**
Other income and expenditure	(3,185,180)	15,842	(3,169,338)	969,866	(2,199,472)
Surplus or deficit on General Reserves	**0**	**59,524**	**59,524**	**414,953**	**474,477**
Opening General Reserves balance at 31 March 2022			(46,576)		
Deficit on General Reserves in year			59,524		
Transfers to/(from) Earmarked Reserves			(75,313)		
Closing General Reserves balance at 31 March 2023			**(62,365)**		

Adjustments between the funding and accounting basis 2022/23 restated £000	**Adjustments for capital purposes Note 2**	**Net change for the pensions adjustments Note 3**	**Other differences Note 4**	**Total Adjustments**
Frontline policing	146,077	(447,551)	(10,473)	(311,947)
Specialist operations	31,044	(77,994)	(1,838)	(48,788)
Operations and Performance	74,089	(115,283)	(2,785)	(43,979)
People and Resources	(14,017)	(9,281)	(226)	(23,524)
Professionalism	8,511	(14,203)	(342)	(6,034)
Digital, Data and Technology	(7,889)	(573)	(19)	(8,481)
Strategy and Transformation	2,333	(5,915)	(140)	(3,722)
Comms and Engagement	536	0	(2)	534
Centrally held	(108,972)	0	0	(108,972)
MOPAC	0	0	0	0
Net cost of service	131,712	(670,800)	(15,825)	(554,913)
Other income and expenditure	(91,734)	1,061,600	0	969,866
Difference between General Reserves surplus or deficit and CIES surplus or deficit on the provision of services	39,978	390,800	(15,825)	414,953

The expenditure and funding analysis shows how annual expenditure is used and funded from resources by the Group in comparison with those resources consumed or earned by the Group in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Group's departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Note 1 - This column shows the adjustments required to arrive at the net amount chargeable to the General Reserves from the financial outturn reported as part of the Group's internal financial reporting arrangements. This includes adjustments for movements to and from reserves which are included against the cost of service and the removal of interest income and expenses from the net cost of service and reflection in other income and expenditure in line with generally accepted accounting practices.

Note 2 - Adjustments for capital purposes – this column adds depreciation in the services line and removes MRP and other revenue contributions to capital which are not chargeable under generally accepted accounting practices. In Other income and expenditure:

- Capital disposals are adjusted for with a transfer of the income received on disposal of assets and a charge for the amounts written off for those assets.
- Movements in the fair value of the investment properties are transferred back.
- Capital grants are transferred back as income.

Note 3 - Net change for the pensions adjustments – this is the net change for the removal of pensions contributions made by the Group and the replacement with accounting entries under IAS 19.

Note 4 - Other differences – this column adds back the estimate for untaken annual leave at the end of the financial year in line with generally accepted accounting practices.

1.2 MOPAC expenditure and funding analysis

MOPAC expenditure and funding analysis 2023/24	As reported for resource management	Adjustments to arrive at the amount chargeable to the General Reserves balance	Net Expenditure chargeable to the General Reserves balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
		Note 1			
£000					
Intra-group funding policing	3,195,914	84,763	3,280,677	(347,222)	2,933,455
Other	72,799	8,605	81,404	0	81,404
Revaluation loss not charged to CPM	0	56,505	56,505	0	56,505
Net cost of service	**3,268,713**	**149,873**	**3,418,586**	**(347,222)**	**3,071,364**
Other income and expenditure	(3,281,557)	2,766	(3,278,791)	342,695	(2,936,096)
Surplus or deficit on General Reserves	(12,844)	152,639	139,795	(4,527)	135,268
Opening General Reserves balance at 31 March 2023			(62,365)		
Deficit on General Reserves in year			139,795		
Transfer to/(from) Earmarked Reserves			(144,060)		
Closing General Reserves balance at 31 March 2024			(66,630)		

Adjustments between the funding and accounting basis 2023/24 £000	Adjustments for capital purposes	Net change for the pensions adjustments	Other differences	Total Adjustments
	Note 2	Note 3	Note 4	
Intra-group funding policing	163,277	(537,600)	27,101	(347,222)
MOPAC	0	0	0	0
Revaluation loss not charged to CPM	0	0	0	0
Net cost of service	163,277	(537,600)	27,101	(347,222)
Other income and expenditure	(50,605)	393,300	0	342,695
Difference between General Reserves surplus or deficit and CIES surplus or deficit on the provision of services	112,672	(144,300)	27,101	(4,527)

MOPAC expenditure and funding analysis 2022/23	As reported for resource management	Adjustments to arrive at the amount chargeable to the General Reserves balance	Net Expenditure chargeable to the General Reserves balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
		Note 1			
£000					
Intra-group funding policing	3,120,329	(83,742)	3,036,587	(554,913)	2,481,674
Other	64,851	(5,032)	59,819	0	59,819
Revaluation loss not charged to CPM	0	132,456	132,456	0	132,456
Net cost of service	**3,185,180**	**43,682**	**3,228,862**	**(554,913)**	**2,673,949**
Other income and expenditure	(3,185,180)	15,842	(3,169,338)	(14,324,634)	(17,493,972)
Surplus or deficit on General Reserves	0	59,524	59,524	(14,879,547)	(14,820,023)
Opening General Reserves balance at 31 March 2022			(46,576)		
Deficit on General Reserves in year			59,524		
Transfer to/(from) Earmarked Reserves			(75,313)		
Closing General Reserves balance at 31 March 2023			(62,365)		

Adjustments between the funding and accounting basis 2022/23 £000	**Adjustments for capital purposes**	**Net change for the pensions adjustments**	**Other differences**	**Total Adjustments**
	Note 2	**Note 3**	**Note 4**	
Intra-group funding policing	131,712	(670,800)	(15,825)	(554,913)
MOPAC	0	0	0	0
Revaluation loss not charged to CPM	0	0	0	0
Net cost of service	131,712	(670,800)	(15,825)	(554,913)
Other income and expenditure	(91,734)	(14,232,900)	0	(14,324,634)
Difference between General Reserves surplus or deficit and CIES surplus or deficit on the provision of services	39,978	(14,903,700)	(15,825)	(14,879,547)

The expenditure and funding analysis shows how annual expenditure is used and funded from resources by MOPAC in comparison with those resources consumed or earned by MOPAC in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decisions making purposes between the Group's departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Note 1 This column shows the adjustments required to arrive at the net amount chargeable to the General Reserves from the financial outturn reported as part of the Group's internal financial reporting arrangements. This includes adjustments for movements to and from reserves which are included against the cost of service and the removal of interest income and expenses from the net cost of service and reflection in other income and expenditure in line with generally accepted accounting practices.

Note 2 Adjustments for capital purposes – this column adds depreciation in the services line and removes MRP and other revenue contributions to capital which are not chargeable under generally accepted accounting practices. In Other income and expenditure:

- Capital disposals are adjusted for with a transfer of the income received on disposal of assets and a charge for the amounts written off for those assets.
- Movements in the fair value of the investment properties are transferred back.
- Capital grants are transferred back as income shown under generally accepted accounting practices.

Note 3 Net change for the pensions adjustments – this is the net change for the removal of pensions contributions made by MOPAC and the replacement with accounting entries under IAS 19.

Note 4 Other differences – this column adds back the estimate for untaken annual leave at the end of the financial year in line with generally accepted accounting practices.

2. Statement of accounting policies

2.1 General principles

These financial statements have been prepared in accordance with the Code of Practice (the Code) on Local Authority Accounting in the United Kingdom 2023/24 issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Accounts and Audit Regulations 2015. The accounting policies contained in the Code apply International Financial Reporting Standards (IFRS) as adapted for the public sector by the International Public Sector Accounting Standards (IPSAS).

The Accounts have been prepared on a going concern basis using an historic cost convention, modified to account for the revaluation of certain categories of tangible fixed assets and financial liabilities. The going concern assessment has been reached by the Chief Finance Officer following a review of the following factors:

- Financial Position
- Medium Term Financial Plan
- CIPFA Financial Resilience Index
- Governance arrangements
- Regulatory and control environment applicable to MOPAC as a PCC.

Following the passing of the Police Reform and Social Responsibility Act 2011 the Metropolitan Police Authority (MPA) was replaced on 16 January 2012 with two 'corporations sole', the Mayor's Office for Policing And Crime (MOPAC) and the Commissioner of Police of the Metropolis (CPM). Both bodies are required to prepare a separate Statement of Accounts. The Narrative Report which accompanies the Accounts sets out the roles and responsibilities of each in more detail.

The Financial Statements included here represent the accounts for MOPAC and also those for the MOPAC Group, consolidating the financial activities of MOPAC and the CPM. The Financial Statements cover the 12 months to the 31 March 2024 (with prior year as a comparative year). The term 'Group' is used to indicate combined transactions and policies of MOPAC and CPM for the year ended 31 March 2023. The identification of MOPAC as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities of MOPAC under the Police Reform and Social Responsibility Act 2011.

The significant accounting policies adopted are set out below.

2.2 Revenue and expenditure recognition

Revenue is recognised in a way that reflects the pattern in which goods and services are transferred to service recipients. It is transferred at an amount that reflects the consideration that the Group expects to be entitled to in exchange for those goods and services. Whilst all expenditure is funded by MOPAC (as the body responsible for maintaining the Police Fund for London) including the wages of police staff and officers, the actual recognition in the respective MOPAC and CPM Accounts is based on which organisation receives the economic benefit from the transactions.

Consideration received in advance is recognised as deferred revenue in the Balance Sheet and released as income is earned. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

2.3 Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligation in the contract;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when services are received rather than when payments are made;
- Where income and expenditure has been recognised (using estimates when appropriate) but cash has not been received or paid, a debtor or creditor for the relevant year is recorded in the Balance Sheet;
- Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to CIES for the income that might not be collected.

2.4 Provisions

Provisions are recognised on the Balance Sheet when a present legal or constructive obligation exists for a future liability in respect of a past event and where the amount of the obligation can be estimated reliably. Provisions are charged to the CIES in the year the Group becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes more likely than not that a transfer of economic benefits will not be required, the provision is reversed and credited back to the CIES.

Third party liabilities – to make provision for realistic estimates of the future settlement of third party claims, the liability for which already exists at the date of the Balance Sheet, in so far as they will not be met by external insurance. The figure shown on the Balance Sheet does not include any adjustment to discount the total liability to present day terms in line with IAS 39 Financial Instruments because the claims involved are deemed to be estimates based on present day values.

Police officer pension liability (intra-group) - to make provision to reflect the continuing requirement on an elected local policing body as required under the Police Reform and Social Responsibility Act 2011, to provide funds to the CPM from the Police fund for the payment of police pensions. The intra-group balances will not appear in the Group Accounts.

2.5 Reserves

Reserves consist of two elements: usable and unusable. Usable reserves are those which can be applied to fund expenditure. They are made up of the General Reserves, Earmarked Reserves, Capital Receipts Reserve and the Capital Grants Unapplied Account. Earmarked reserves are established from time to time to meet specific expected revenue or capital costs as determined by MOPAC. Unusable reserves cannot be applied to fund expenditure. They include the Capital Adjustment Account, Pension Reserve, Accumulated Absences Account, Financial Instruments Adjustment Account, Revaluation Reserve and Deferred Capital Receipts Reserve. These accounts do not form part of the cash resources available to the Group.

Reserves are created by appropriating amounts in the CIES. When expenditure to be financed from a reserve is incurred, it is charged to the CIES against the Net Cost of Policing Services. The reserve is then appropriated back in the MIRS so that there is no net charge for the expenditure.

2.6 Government and other organisations' grants and contributions

Whether paid on account, by instalments or in arrears, revenue government grants and third party contributions are recognised as income at the date that the Group satisfies the conditions of entitlement to the grant/contribution.

The grant/contribution is recognised within the CIES as income when the conditions of entitlement are known to be satisfied. If the grant/contribution has been received in advance of need then the amount is transferred to a Grant in Advance Account.

Grants to cover general expenditure (e.g. Police Revenue Grant) are credited to the CIES within the provision of services.

2.7 Employee benefits

Benefits payable during employment
Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits for current employees and these benefits are recognised as an expense in the year in which the employee renders service to the Group.

IAS 19 Employee Benefits requires MOPAC to account for short-term compensating absences (these are periods during which an employee benefits continue to be earned which include time owing for annual leave and rest days) by accruing for the benefits which have accumulated but are untaken by the Balance Sheet date. Short term accumulated absences are recognised in the CPM Accounts in the period in which officers or police staff render the service which entitles them to the benefit, not necessarily when they enjoy the benefit. The cost of leave earned, but not taken by police officers and staff at the end of the financial year is recognised in the financial statements to the extent that the staff are entitled to carry forward leave into the following year. Equivalent liabilities for employee benefits are recognised on the MOPAC Balance Sheet to reflect the continuing requirement on MOPAC to provide funds from the Police Fund to meet these liabilities as they fall due. The Group Balance Sheet also reflects the liability for time owing and annual leave. The accrual for untaken leave is charged to the Net Cost of Policing Services, and reversed out through the MIRS so that the leave is charged to CIES in the financial year in which the holiday absence is earned.

Termination benefits
Termination benefits are amounts payable as a result of a decision to terminate a member of staff's employment before their normal retirement date or their decision to accept voluntary redundancy. These are charged as an expense in the CIES at the earlier of when the organisation can no longer withdraw the offer of those benefits and when the organisation recognises the costs for a restructuring.

Post-employment benefits
The Group operates three pension schemes for police officers and a single scheme for police staff. The CPM is the administering body for the Pension Fund. MOPAC provides funds from the Police Fund to meet the pension payments as they fall due.

Police officers
The Police Pension Schemes are contributory occupational pension schemes which are guaranteed and backed by law. A new Career Average Revalued Earnings (CARE) Scheme was introduced on 1 April 2015, which was a change from the previous Final Salary Schemes. Officers starting after 1 April 2015 joined the new 2015 Scheme and some members of the 1987 and 2006 Final Salary Schemes moved into the new 2015 Scheme, unless they were covered by the transitional protection arrangements. On 1 April 2022, all remaining members in the 1987 and 2006 schemes moved to the 2015 scheme. Members of the new 2015 Scheme make contributions of between 12.44% and 13.78% of pensionable pay. The employees' contribution rate is set nationally by the Home Office and is subject to triennial revaluation. The employer contribution rate was increased to 31%, for all

schemes from 1 April 2019. New financial arrangements were introduced on 1 April 2006 to administer the schemes.

The police pension schemes are defined benefit schemes paid from revenue (without managed pension assets). Following the Code's requirements, IAS 19 has been fully recognised in the Group Accounts. Scheme liabilities as shown on the Group's Balance Sheet are calculated by determining future liabilities for pension payments and applying a discount rate to reduce them to present day values. IAS 19 specifies the use of a discount rate equal to the current rate of return available on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The pension liabilities in these Accounts have been calculated accordingly at a discount rate of 4.75% for all schemes.
Recognition of the total liability has a substantial impact on the net worth of the MOPAC Group. Accrued net pension liabilities are assessed on an actuarial basis. The change in net pension liability is analysed into the following components:

- Service cost comprising:
  - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated to the Group CIES to the services for which the police officers worked;
  - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Net Cost of Policing Services in the Group CIES;
  - Interest on the defined benefit liability - the increase during the period in the defined benefit liability which arises because the benefits are one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Group CIES;

- Re-measurements comprising actuarial gains and losses – changes in the pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited or credited to the Pensions Reserve as Other Comprehensive Income and Expenditure with the exception of actuarial gains and losses in relation to injury benefits, which are debited or credited to the Net Cost of Policing Services in the CIES.

- Contributions paid to the Police Pension Fund – cash paid as employer's contributions to the Pension Fund in settlement of liabilities, not accounted for as an expense.

The net liability for all the pension schemes is recognised initially on the CPM Balance Sheet in accordance with IAS 19 Employee Benefits. MOPAC provides the sole source of funding to meet the CPM's costs through the budget delegated by MOPAC to the CPM. All CPM liabilities will therefore ultimately be funded by MOPAC. The pension liability is therefore offset by an intra-group adjustment between MOPAC and the CPM to reflect MOPAC's continuing responsibility to provide funds from the Police Fund to enable the CPM to administer pension payments. This has resulted in a liability within MOPAC's Balance Sheet for the Police Pension Schemes.

The legislation however requires the General Reserves balance to be charged with the amount payable by MOPAC to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the MIRS, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Reserves of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Police staff
The Group joined the Principal Civil Service Pension Scheme (PCSPS) in 2002/03. The PCSPS is an unfunded defined benefit scheme which operates seven different sub schemes but only one is open to new staff joining MOPAC/CPM, the Alpha Scheme, which is a career average scheme. Additionally,

there is a defined contribution alternative. The PCSPS is a multi-employer scheme whereby the underlying assets and liabilities within the Scheme are not broken down and attributed to individual employers, and therefore is defined as a multi-contribution scheme. The appropriate level of disclosure has been followed in accordance with IAS 19.

2.8 Property, plant and equipment

Property, plant and equipment are assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis. The de minimis level policy is to capitalise all expenditure over £5,000 on an individual asset basis, and projects (or grouped assets) with a total value in excess of £5,000: expenditure on partnership assets is capitalised over £1,000.

Recognition: Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that they yield benefits to the Group and the services they provide are for more than one financial year. Expenditure that secures, but does not extend the previously assessed standards of performance of an asset (e.g. repairs and maintenance) is charged to revenue as it is incurred. Assets under construction are recorded in the Balance Sheet at historical cost.

Measurement: Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.
Assets are carried in the Balance Sheet using the following measurement bases:

- Specialised operational properties – current value, but because of their specialist nature are measured at depreciated replacement cost which is used as an estimate of current value;
- Non-specialised operational properties – current value, determined as the amount that would be paid for the asset in its existing use (existing use value EUV);
- Surplus properties and investment properties – fair value estimated at highest and best use from a market participant's perspective;
- Leasehold improvements – depreciated historic cost as a proxy for current value.
- Vehicles, plant and equipment – In such cases where non property assets have short useful lives or low values (or both), depreciated historic cost is used as a proxy for current value.
- Assets held for sale – lower of current value and fair value less costs to sell

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their value at the year end. Property revaluations are based on a rolling review programme of inspections at intervals of less than five years. The top 20 properties in value as well as 20% of the assets are physically inspected whilst 80% are revalued on a desktop basis.

Component assets: The Group recognises and records component assets separate from the main asset where material. Where a component asset is identified it is written down on a straight line basis over its useful economic life using a depreciated historic cost approach.
Impairment: Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible write down is estimated to be material, the recoverable amount of the asset is determined and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where the loss is determined for a previously revalued asset, it is written off against any revaluation gains held for the relevant asset in the Revaluation Reserve, with any excess charged to the CIES. Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals: When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the CIES as part of the gain or loss on disposal. The written off carrying value of the asset is transferred from the General Reserves to the Capital Adjustment Account in the MIRS. Sale proceeds over £10,000 are categorised as capital receipts and are transferred from the General Reserves Balance to the Capital Receipts Reserve in the MIRS.

Depreciation: This is provided for all assets with a useful finite life, by allocating the value of the asset in the Balance Sheet over the periods expected to benefit from their use, on a straight-line basis. Depreciation is charged on a monthly basis.

Principal asset categories and their useful economic lives

Operational Assets	Category	Years
Property	Land	Not depreciated
	Buildings	10 – 65 years
Plant and equipment	Information Technology and communications equipment	2 - 20 years
	Software development	3 - 5 years
	Policing support vehicles including Patrol vehicles	3 - 20 years
	Other Equipment	4 – 25 years
Intangible assets	Software licences.	3-11 years
Non-operational assets		
Assets under construction		Not depreciated
Surplus Assets		Depreciated
Assets held for sale		Not depreciated
Investment properties		Not depreciated

Grants and contributions: Grants and contributions relating to capital expenditure shall be recognised in the CIES as income except to the extent that the grant or contribution has a condition that the Group has not satisfied. In that event the amount subject to condition is transferred to the Capital Grants Receipts in Advance account. Where the conditions of the grant/contribution are satisfied, but expenditure for which the grant is given has not yet been incurred, then such sums will be transferred to the Capital Grants Unapplied Reserve.

2.9 Charges to revenue for property, plant and equipment

The Group CIES is charged with the following amounts, to record the real cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service;
- Revaluation gains or losses on investment properties;
- Amortisation of intangible fixed assets attributable to the service.

The Group is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement. The Minimum Revenue Provision (MRP) is set on a prudent basis as determined by the Group in accordance with statutory guidance.

2.10 Non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of its carrying amount and fair value less costs to sell. Depreciation is not charged on Assets Held for Sale.

2.11 Investment properties

These are properties held solely by MOPAC for the purpose of generating rental income or for capital appreciation and are occupied by third parties. These properties are not used in any way to facilitate the delivery of services or held for sale.

Investment properties are measured initially at cost and subsequently at ‘fair value’ (as defined in the Section below). Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Reserves Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Reserves Balance. The gains and losses are therefore reversed out of the General Reserves Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

2.12 Surplus Assets

These are assets that are not being used to deliver services, and do not meet the CIPFA Code of Practice criteria to be classified as either investment properties or non-current assets held for sale.

The valuation at which they are held is based on an estimate of the price that would be received by selling in an orderly transaction between market participants at the valuation date.

2.13 Fair value measurement

The Group measures some of its non-financial assets such as investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

a) in the principal market for the asset or liability, or
b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the Group takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Group’s financial statements are categorised within the fair value hierarchy, as follows:

> Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
> Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
> Level 3 – unobservable inputs for the asset or liability.

2.14 Leases

All leases are evaluated at inception in accordance with IAS 17 ‘Leases’, to determine whether they are a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. Where a lease is for land and buildings, the land and building components are separated. The land element is usually treated as an operating lease, unless it is for 125 years or more, in which instance the land is deemed to be a finance lease. Where the building element is a finance lease it is depreciated over its lease term. A de minimis of £5,000 is applied to the annual rental of leases to determine their treatment as a finance lease. All major contracts are reviewed under IFRIC 4 to determine whether an arrangement contains an embedded lease.

Finance leases
Property, plant and equipment held under finance leases is initially recognised at the inception of the lease at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges (charged to the CIES) and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.
Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the organisation at the end of the lease period).

Operating leases
Leases that do not meet the definition of finance leases are accounted for as operating leases. The Group has a large number of operating leases, mainly in respect of property, but also vehicles. Rentals payable are charged to the CIES.

The Group as lessor
There are a number of short-term operating leases for property where the Group acts as lessor. Where the organisation grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the CIES. Credits are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (e.g. where there is a premium paid at the commencement of the lease).
There are no finance leases where the Group is a lessor.

2.15 Value Added Tax (VAT)

Income and expenditure excludes any amounts relating to VAT as VAT is remitted to/from the HM Revenue & Customs.

2.16 Financial liabilities

Financial liabilities are recognised on the Balance Sheet when the MOPAC becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Interest charged to the CIES is the amount payable for the year according to the loan agreement.

2.17 Financial assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. The Group's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified at amortised cost, except for those whose contractual payments are not solely payments of principal and interest. These have been designated at Fair Value through Other Comprehensive Income.

Financial assets measured at amortised cost are recognised when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are then subsequently carried at their amortised cost. Interest and other income received is based on the capital value of the investment multiplied by the effective rate of interest. For most of the loans that MOPAC has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable. Interest is credited to the CIES with the amount receivable for the year defined in the loan agreement. The loans made by MOPAC are short-term investments consisting of fixed term deposits.

Financial assets that are measured at Fair Value through Other Comprehensive Income are recognised on the Balance Sheet when the authority become party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in Other Comprehensive Income.

The Group recognises expected credit losses on all of its financial assets held at amortised cost and Fair Value through Other Comprehensive Income, either on a 12 month or lifetime basis. Only lifetime losses are recognised for trade receivables held by the Group.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are estimated on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Any gains and losses that arise on the derecognition of an asset are credited or debited to Financing and Investment Income and Expenditure in the CIES.

2.18 Contingent assets and liabilities

The Group recognises material contingent liabilities as either:

- Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the organisation, or
- Present obligations that arise from past events but are not recognised because;
  a) it is not probable that outflows of resources embodying economic benefits or service potential will be required to settle the obligations, or
  b) the amount of the obligations cannot be measured with sufficient reliability.

A material contingent liability is not recognised within the accounts as an item of expenditure. It is, however, disclosed in a note unless the possibility of a transfer of economic benefits or service potential in settlement is remote (in which case no action is needed).

The Group may also disclose a contingent asset as ‘a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the organisation’.

2.19 Private Finance Initiative

MOPAC has two long term contractual agreements under PFI whereby the contractor is responsible for the design, construction, finance and maintenance of four police stations in south-east London (Police Stations PFI) and a public order and firearms training centre (Training Ground PFI). These contracts are deemed to be under the control of MOPAC and as such the accounting treatment has been to include them on the Balance Sheet in accordance with the Code.

In addition to the assets created for the PFI buildings on the Balance Sheet, long term liability accounts are also disclosed on the Balance Sheet to reflect future payments to the contractor. Payments made by MOPAC under contract are charged in part to revenue to reflect the value of services received and cost of financing and in part to the Balance Sheet, to reflect repayment of the outstanding liability over the remaining period of the lease agreement.

2.20 Cash and cash equivalents

Cash is cash in hand and deposits with MOPAC’s main banker and a number of other banks. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.21 Events after the reporting period

When an event occurs after the Balance Sheet date which provides evidence of conditions that existed at the Balance Sheet date an adjusting event occurs and the amounts recognised in the Statement of Accounts will be adjusted to take into account any values that reflect the adjusting event. Where an event occurs after the Balance Sheet date that is indicative of conditions that arose after the Balance Sheet date, the amounts recognised in the Statement of Accounts are not adjusted but disclosed as a separate note to the Accounts. Events after the Balance Sheet date are reflected up to the date when the Statement of Accounts is authorised for issue.

2.22 Overhead costs

The costs of overheads and support services are charged to service segments within the Group CIES in accordance with the Group's arrangements for accountability and financial performance. In practice this means support costs other than Corporate and Democratic Core (CDC) are recognised in the intra-group funding - policing line of the MOPAC CIES on the basis that all services to which support costs are allocated were delivered by the CPM in 2023/24.

2.23 Prior period adjustments, changes in accounting policies, estimates and errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the organisation's financial position or financial performance. When a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy has always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

3. Accounting standards that have been issued, but not yet adopted

There are amendments to issued accounting standards which have not yet been adopted by the Code which will apply to the Group and MOPAC in 2024/25:

- IFRS 16 Leases issued in 2016.

It is expected that the adoption of IFRS 16 will introduce right of use assets on the balance sheet with a value of £82.5m matched against future lease liabilities of £82.5m.

During the next financial year it is expected that lease payments under IFRS 16 will result in a reapportionment within operating expenses of £5.6m, into finance charges (of £1m) and Minimum Revenue Provision (of £4.6m).

- Lease Liability in a sale and Leaseback (Amendments to IFRS 16) issued in September 2022.
- Classification of Liabilities as Current or Non-current (Amendments to IAS1) issued in January 2020
- Non-current liabilities with Covenants (Amendments to IAS 1) issued in October 2022.

Although they provide clarifications, It is not expected that these three amendments above will have a significant impact on the Group's statement of accounts.

- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023.

There will be limited application of the two amendments above in the Group's statement of accounts.

4. Significant estimates and judgements in applying the accounting policies

The preparation of the financial statements requires the Group to make judgements, estimates and assumptions that affect the application of policies and reporting amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors, the results of which form the basis of making judgements about the values of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised. Material estimates and assumptions are made in the following cases:

Estimates

- Establishing the valuations of operational and residential properties represents a significant estimate. Valuations are undertaken by a professional surveyor in line with RICS guidance (see Note 16.1). Where possible, observable market data (recent transactions or rental yields) is used which reduces estimation uncertainty. For operational property, the valuation method relies on a cost model for estimating build costs of a modern equivalent asset. There are two key inputs to this estimate – RICS Build Cost Indices and Build Cost Indices Location Weightings;

- Depreciation is calculated based on the asset value and expected useful life of assets (see Note 16). The Group monitors the useful life of assets to identify where any changes to the depreciation charge are required during the year;

- The costs of providing pension benefits to police officers, requires estimates regarding future cash flows that will arise to meet the scheme liabilities, see Note 12. The assumptions underlying the valuation used for IAS 19 reporting are the responsibility of the MOPAC CFO as advised by the scheme actuaries. The financial assumptions used by the actuaries are largely prescribed at any point and reflect market expectations at the reporting date. Assumptions are also made around the life expectancy of the UK population. The last full valuation of the pension scheme undertaken using full membership data was conducted in 2022. Under IAS19, the actuaries have projected the results of this valuation using approximate methods. In particular, the roll-forward allows for:

    - Changes in financial and life expectancy assumptions;
    - Additional benefit accrual;
    - Actual cash flows over the period; and
    - Updated membership information.

Judgements

- 2.2 Revenue Recognition; A judgement has been made of the expenditure allocated between MOPAC and the CPM to reflect the financial resources of MOPAC consumed at the request of the CPM. In arriving at this approach various interested parties were consulted including senior management in both corporate bodies and careful consideration given to the Police

Reform and Social Responsibility Act 2011 and Home Office guidance. More details are included in Note 6;

- 2.7 Employee Benefits; A liability has been recognised on the MOPAC Balance Sheet equivalent to the liability for police officer pensions recognised on the CPM Balance Sheet under IAS 19 Retirement Benefits. The costs and liability relating to police pensions are recognised in the CPM Accounts in the first instance because police officers are under the direction of the CPM. As MOPAC has a statutory obligation to provide funds to meet police pension liabilities, a corresponding liability has been included in the MOPAC Accounts. The intra-group adjustments are removed from consolidation to show only the IAS 19 liability itself in the Group Balance Sheet. This liability is offset in the Group Balance Sheet by the Police Officer Pension Reserve because under statute MOPAC can only charge to the Police Fund actual amounts paid as contributions in the Police Officer Pension Fund in the year and not the full amount under IAS 19.

5. Assumptions made about the future and other major sources of estimation uncertainty

The Code contains a disclosure requirement for assumptions made about the future and other major sources of estimation uncertainty for which there is a significant risk of 'material' adjustment. At the date of publication of the Accounts, the key assumptions and sources of major uncertainty affecting the accounts are set out in note 4. The most significant of these relates to assumptions made regarding the Police pension liability – namely the discount rate, inflation, life expectancy and salary growth. The value of the pension liability requires estimation of financial and non-financial assumptions over a long time period (30-50yrs), and hence represents a source of significant estimation uncertainty. For this reason, sensitivity analysis for movements in these key assumptions is included at Note 12.1.

6. The relationship between the Mayor's Office for Policing And Crime and the Commissioner of Police of the Metropolis for accounting purposes

6.1 Introduction

Following the Police Reform and Social Responsibility Act 2011 (The Act), the Metropolitan Police Authority (MPA) was replaced on 16 January 2012 with two corporations sole, the Mayor's Office for Policing And Crime (MOPAC) and the Commissioner of Police of the Metropolis (CPM). These financial statements for 2023/24 show the financial positions of the MOPAC and MOPAC Group together with comparative figures for 2022/23.

6.2 Accounting principles

The accounting recognition of assets, liabilities and reserves in 2023/24 reflects the powers and responsibilities of MOPAC as designated by the Police Reform and Social Responsibility Act 2011 and the Home Office Financial Management Code of Practice for the Police Service, England and Wales 2018. This accounting treatment is also underpinned by the working relationship between the Deputy Mayor and the Commissioner as defined by local regulations, (MOPAC Financial Regulations and Scheme of Consent and Delegation), local agreement and practice. On 16 January 2012 the assets, liabilities and reserves of the MPS were transferred directly to MOPAC and during 2023/24 they remain under MOPAC control. Statutory and local arrangements determine that MOPAC holds all the assets, liabilities and the reserves and is responsible for the police pension liability. All payments for the Group are made by MOPAC from the MOPAC Police Fund and all income and funding received by MOPAC. MOPAC has the responsibility for managing the financial relationships with third parties and has legal responsibilities for discharging the contractual terms and conditions of suppliers.

With effect from 1 April 2014, under the Police Reform and Social Responsibility Act 2011 the contracts of employment of police staff under the direction of the Commissioner transferred to the CPM. For accounting purposes, the costs of police staff and officers under the direct control of the Commissioner are recognised in the CPM Accounts and the costs of staff under the direct control of MOPAC are recognised in the MOPAC CIES. All assets, liabilities and reserves remain under the ownership of MOPAC.

The International Accounting Standards Board (IASB) Framework states that assets, liabilities and reserves should be recognised when it is probable that any 'future' benefit associated with the item will flow to, or from the entity. Based on the statutory responsibilities and local arrangements within which MOPAC operates in conjunction with the IASB guidance, it has been deemed that 'all' the assets, liabilities and reserves are recognised on the MOPAC Balance Sheet and consequently the balance sheets for MOPAC and the Group are similar. This reflects the fact that MOPAC retains control over all assets including which are held, which are disposed and who has access to use the assets and therefore controls the long term risk and rewards of ownership.

Police Pension costs are recognised in the CPM Accounts in accordance with IAS 19 (Employee Benefits). The liability for police pensions on the CPM Balance Sheet is offset by an intra-group debtor reflecting MOPAC's responsibility to provide funds from the police fund each year to enable the CPM to administer police pension payments. The MOPAC Balance Sheet shows an intra-group provision to reflect its responsibility to provide funds for the payment of police pensions. The same accounting treatment applies to 'accumulated absences due to employees but not taken at the reporting date'. The liabilities in the CPM Balance Sheet are offset by an intra-group transfer from MOPAC to reflect the fact that MOPAC ultimately funds the CPM's employee costs.

Accounting treatment

The table below shows the movement through an intra-group account within the respective CIES during 2023/24. Corresponding accounting entries in the MOPAC CIES and CPM CIES can be seen in the financial statements.

Intra-group adjustments between MOPAC and CPM within the CIES

Intra-group - total transactions for 2023/24 £million	**MOPAC**	**CPM**	**Group**
IAS 19 pension costs within net cost of services	0	275	275
Accumulated absences	0	27	27
Other costs within net cost of services	0	2,631	2,631
Intra-group adjustment (MOPAC funding)	2,933	(2,933)	0
Pension interest cost	0	1,144	1,144
Intra-group adjustment (MOPAC funding pension)	1,144	(1,144)	0
Actuarial losses/(gain) on police fund	0	(751)	(751)
Intra-group adjustment (MOPAC funding pension)	(751)	751	0
Total transactions for the year	**3,326**	**0**	**3,326**

Intra-group - total transactions for 2022/23 £million	**MOPAC**	**CPM**	**Group**
IAS 19 pension costs within net cost of services	0	111	111
Accumulated absences	0	(16)	(16)
Other costs within net cost of services	0	2,387	2,387
Intra-group adjustment (MOPAC funding)	2,482	(2,482)	0
Pension interest cost	0	1,061	1,061
Intra-group adjustment (MOPAC funding pension)	1,061	(1,061)	0
Actuarial losses/(gain) on police fund	0	(15,294)	(15,294)
Intra-group adjustment (MOPAC funding pension)	(15,294)	15,294	0
Total transactions for the year	**(11,751)**	**0**	**(11,751)**

Accounting entries reflected in the respective Balance Sheet at year end

Intra-group - total transactions for 2023/24 £million	**MOPAC**	**CPM**	**Group**
CPM - Long term Intra-group Debtor	0	24,198	0
CPM - Short term Intra-group Debtor	0	225	0
CPM - Police Officer pension liability	0	(24,198)	(24,198)
CPM - Creditor - accumulated absences	0	(225)	(225)
MOPAC - Long term Intra-group Creditor	(24,198)	0	0
MOPAC - Short term Intra-group Creditor	(225)	0	0
MOPAC - Unusable Reserves	24,198	0	24,198
MOPAC - Unusable Reserves	225	0	225

Intra-group - total transactions for 2022/23 £million	**MOPAC**	**CPM**	**Group**
CPM - Long term Intra-group Debtor	0	24,343	0
CPM - Short term Intra-group Debtor	0	198	0
CPM - Police Officer pension liability	0	(24,343)	(24,343)
CPM - Creditor - accumulated absences	0	(198)	(198)
MOPAC - Long term Intra-group Creditor	(24,343)	0	0
MOPAC - Short term Intra-group Creditor	(198)	0	0
MOPAC - Unusable Reserves	24,343	0	24,343
MOPAC - Unusable Reserves	198	0	198

The CIES for MOPAC and the Group are similar at ‘summary level’. The MOPAC CIES includes not only the cost of administering the MOPAC itself, but also payment for MOPAC resources consumed at the request of the CPM. Correspondingly in the CPM CIES, total Comprehensive Income and Expenditure is nil for 2023/24 as the ‘resources consumed at the request of the CPM’ are completely offset by the intra-group adjustment.

7. Analysis of surplus or deficit on the provision of service

7.1 Service expenditure analysis

The first half of the MOPAC Group CIES on page 1 shows the Net Cost of Policing Services (the operating cost in year of providing services for the Group). The costs are also categorised between the seven divisions which represent the organisational structure headings under which the MOPAC Group operates and manages its services.

7.2 Income

Income received by MOPAC includes fees and charges, interest, investments, contributions, specific grants and other service income. A breakdown under these headings for 2023/24 is shown in the table in Section 7.3 below.

The ability to charge for police services is generally determined by statutory provisions.

- The provision of special police services at the request of any person under s25 of the Police Act 1996. Special police services generally relate to policing an event e.g. a pop concert, or series of events, including football matches and policing at the Palace of Westminster;
- S15 of the Police Reform and Social Responsibility Act 2011 extends to police bodies the powers of the Local Authorities (Goods and Services) Act 1970 to supply goods and services to other bodies or persons. This may include services provided in competition with other providers, for example training, where charges will reflect market rates, or services provided as a by-product of core policing activity such as provision of collision reports;
- The Aviation Security Act 1982 for policing in relation to the operation of airports;
- The provision of police services to other agencies such as the Home Office Border Force (previously the UK Border Agency) or the prison service;
- The provision of mutual aid to other forces.

Income received also includes miscellaneous items such as loans of equipment to other forces, rents receivable, sales of equipment under £10,000 and prosecution costs recovered by way of illustration.

Specific grants represent grants for specific operational activities (a breakdown is provided in Note 15). General grants not directly attributable to specific operational activities are recognised below the Net Cost of Service.

7.3 Expenditure and income analysed by nature for MOPAC and the MOPAC Group

In the table below the operating income and expenditure for MOPAC and the MOPAC Group for the period 1 April 2023 to 31 March 2024, is presented in a subjective analysis format. The subjective analysis format is used by management to make decisions about resource allocation in internal management reports.

Expenditure and income analysis by nature for MOPAC and the MOPAC Group

£000	MOPAC 2023/24	CPM 2023/24	Group 2023/24	Group 2022/23
Expenditure				
Employee costs				
Police officer salaries	0	2,203,092	2,203,092	2,034,710
MOPAC and Police staff wages and salaries	18,390	681,179	699,569	604,365
Employee related expenditure	381	61,275	61,656	52,006
Net police officer pensions	0	(56,032)	(56,032)	(224,936)
Net MOPAC police staff pensions	3,528	140,562	144,090	128,034
Premises related	1,037	199,518	200,555	186,488
Transport related	4	95,749	95,753	93,453
Supplies and services*	107,085	639,762	746,847	698,683
Depreciation, amortisation, impairment	56,505	185,847	242,352	276,586
Actuarial losses on police pensions funds - intra group funding	(751,100)	751,100	0	0
Interest payments	1,170,787	0	1,170,787	1,091,614
(Gain)/Loss on the disposal of assets	10,678	0	10,678	(30,548)
Total gross expenditure	**617,295**	**4,902,052**	**5,519,347**	**4,910,455**
Income				
Fees and charges and other service income**	(7,926)	(364,455)	(372,381)	(331,381)
Interest and investment income	(23,701)	0	(23,701)	(10,842)
Government grants and contributions	(3,383,855)	(853,042)	(4,236,897)	(4,093,755)
Total income	**(3,415,482)**	**(1,217,497)**	**(4,632,979)**	**(4,435,978)**
Intra group adjustment ***	2,933,455	(2,933,455)	0	0
(Surplus) or deficit on provision of services	**135,268**	**751,100**	**886,368**	**474,477**

** £107.1m supplies and services incurred by MOPAC includes costs of working with local communities, victims support and payments by MOPAC of crime prevention grants*
***Includes revenue recognised of £212.9m from contracts with service recipients under IFRS15 (£195.8m 2022/23)*
**** MOPAC payment for MOPAC financial resources consumed at the request of the CPM*

The subjective analysis statement has been split between the Commissioner of Police of the Metropolis (CPM) and MOPAC to separately identify the resources consumed at the request of the Commissioner, from those costs exclusively incurred by the Mayor's Office. Costs exclusively incurred by the Mayor's Office include the day to day costs of administering MOPAC and supporting the Mayor and the Deputy Mayor for Policing And Crime as well as working directly with local communities and the public which includes the payment of Community Grants detailed in the Narrative Report. All grants and income are paid directly to MOPAC. Further details in respect of the resources consumed under the direction of the Commissioner can be found in the CPM's Statement of Accounts.

Within the Group's material contracts with service recipients, performance obligations are satisfied at the point of supply of police officers. Pricing within the contracts is typically based on agreed unit prices of manpower.

8. Police officers and police staff remuneration

8.1 Police and police staff remuneration

The numbers of police officers and staff in the Group whose taxable remuneration, excluding pension contributions, was £50,000 or more are:

Remuneration band £ MOPAC	2023/24		2022/23	
	Number of employees exc exit packages	Number of employees inc exit packages	Number of employees exc exit packages	Number of employees inc exit packages
50,000 - 54,999	6,087	6,088	6,569	6,568
55,000 - 59,999	6,073	6,074	5,284	5,284
60,000 - 64,999	4,214	4,216	3,408	3,410
65,000 - 69,999	2,861	2,861	2,719	2,719
70,000 - 74,999	2,345	2,345	1,393	1,393
75,000 - 79,999	1,216	1,214	734	734
80,000 - 84,999	690	691	570	570
85,000 - 89,999	550	550	382	384
90,000 - 94,999	361	360	234	234
95,000 - 99,999	269	269	162	162
100,000 - 104,999	142	142	125	125
105,000 - 109,999	124	124	58	58
110,000 - 114,999	50	51	19	19
115,000 - 119,999	28	29	13	14
120,000 - 124,999	13	13	7	7
125,000 -129,999	7	7	5	5
130,000 -134,999	10	11	6	6
135,000 -139,999	9	9	6	7
140,000 -144,999	7	7	2	3
145,000 - 149,999	5	5	1	2
150,000 - 154,999	4	5	1	2
155,000 - 159,999	2	2	1	1
160,000 - 164,999	2	2	1	1
165,000 - 169,999	1	2	0	0
170,000 - 174,999	0	0	0	1
175,000 - 179,999	0	0	0	0
180,000 - 184,999	0	0	0	0
185,000 - 189,999	0	0	0	0
190,000 - 194,999	0	0	0	0
195,000 - 199,999	0	0	0	1
200,000 - 204,999	0	0	0	0
205,000 - 209,999	0	0	0	0
210,000 - 214,999	0	2	0	0
215,000 - 224,999	0	0	0	0
225,000 +	0	4	0	0

The banding scale is based on taxable remuneration, excluding pension costs, paid in the year rather than annual salary. Taxable remuneration includes overtime, compensation for loss of office and may also include back dated pay awards, which relate to previous years but were actually paid in the year in question. In 2022/23 and in 2023/24 backdated pay awards were made to a number of officers following the ruling on overtime payable to CHIS handlers. The numbers in the table above exclude senior staff and relevant police officers as defined below in Note 8.2. In these particular cases, a more detailed analysis of remuneration for 2023/24 is shown on the following pages.

Exit packages

All early departures are reviewed on individual circumstances. See table below for associated exit costs:

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£)	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
£0 - £20,000	0	0	1	2	1	2	19,290	31,783
£20,001 - £40,000	0	0	1	2	1	2	30,000	68,590
£40,001 - £60,000	0	0	4	4	4	4	195,403	216,607
£60,001 - £80,000	0	0	0	5	0	5	0	333,481
£80,001 - £100,000	0	0	4	5	4	5	362,139	460,826
£100,001 - £150,000	0	0	5	1	5	1	631,211	114,433
£150,001 - £200k+	0	0	4	0	4	0	743,920	0
	0	0	19	19	19	19	1,981,963	1,225,720

The numbers in the table above exclude senior staff as defined below in Note 8.2. In these particular cases, any compensation for loss of office is shown in Note 8.3. - 8.4.

8.2 Relevant police officers and senior staff remuneration

A relevant police officer is defined as the Commissioner or any other senior police officer whose salary is £150,000 per annum or more. Senior staff are defined as individuals whose salary is more than £150,000 per annum, or whose salary is at least £50,000 per annum (to be calculated pro-rata if they are part time) and are either the designated head of service, a statutory chief officer or a non-statutory chief officer, as defined under the Local Government and Housing Act 1989 or any person having responsibility for the management of MOPAC/CPM.

8.3 Relevant police officers and senior staff remuneration* - year ended 31 March 2024

Post holder information (post title)	Name	Notes	Salary (including fees & allowances) (£)	Benefits (£)	Other Payments (£)	Total remuneration excluding pension contributions 2023/24 (£)	Pension contributions (£)	Total remuneration including pension contributions 2023/24 (£)
CPM								
Commissioner	M Rowley		314,025	2,900	0	316,925	0	316,925
Deputy Commissioner	L Owens		260,842	2,900	0	263,742	0	263,742
Assistant Commissioner	N Ephgrave	1	4,609	0	0	4,609	1,080	5,689
Assistant Commissioner	L Rolfe		241,463	2,900	0	244,363	67,426	311,789
Assistant Commissioner	M Jukes		239,842	2,900	0	242,742	67,426	310,168
Assistant Commissioner	B Gray		250,342	2,900	0	253,242	0	253,242
Assistant Commissioner	P Mills	2	107,440	0	40,000	147,440	30,558	177,998
Assistant Commissioner	M Twist		232,333	2,900	0	235,233	61,224	296,457
Deputy Assistant Commissioner	L Taylor		182,717	2,900	0	185,617	52,042	237,659
Deputy Assistant Commissioner	M Horne		186,311	2,900	0	189,211	0	189,211
Deputy Assistant Commissioner	S Cundy		186,311	2,900	0	189,211	52,042	241,253
Deputy Assistant Commissioner	B Javid	3	108,566	2,900	15,218	126,684	0	126,684
Deputy Assistant Commissioner	H Millichap		182,717	2,900	0	185,617	52,042	237,659
Deputy Assistant Commissioner	A Boon		182,717	2,900	0	185,617	52,042	237,659
Deputy Assistant Commissioner	A Adelekan		182,936	2,900	0	185,836	52,110	237,946
Deputy Assistant Commissioner	T Jacques	4	186,542	2,900	0	189,442	43,433	232,875
Deputy Assistant Commissioner	A Valentine	5	203,705	2,900	0	206,605	52,640	259,245
Deputy Assistant Commissioner	M Ward	6	192,089	2,900	0	194,989	49,820	244,809
Chief People and Resources Officer	C Davies		178,290	2,900	0	181,190	54,022	235,212
Chief Digital Data and Technology	D Scates		191,473	0	0	191,473	54,690	246,163
Director of Service Delivery	A Blatchford	7	158,597	0	105,845	264,442	37,426	301,868
Director of Solution Delivery	D Pitty		166,236	0	0	166,236	38,856	205,092
Interim Chief Finance Officer	A Scholes	8	0	0	0	0	0	0
Director of Finance	I Percival	9	143,798	0	0	143,798	42,056	185,854
Director of Operational Support Services	M Heracleous		160,436	2,900	0	163,336	44,302	207,638
Director of Communications and Engagement	P Stuart-Lacey	10	12,917	0	119,413	132,330	3,788	136,118
Chief Scientific Officer	L Sherman		145,161	2,900	0	148,061	38,119	186,180
Director of Transformation	M Thorp	11	153,270	0	0	153,270	39,169	192,439
Chief Strategy and Transformation Officer	A Scott	12	77,656	0	0	77,656	23,530	101,186
Chief Legal Officer	S Bramley	13	119,941	2,417	0	122,358	36,342	158,700
T/Chief Legal Officer	J Leonard	14	144,262	0	0	144,262	43,711	187,973
Director of Human Resources	K Graham		150,577	0	0	150,577	45,625	196,202
Director of Property Services	S Fihosy		150,487	0	0	150,487	45,598	196,085
NPCC and other secondees out of the Met						0		0
Assistant Commissioner	M Hewitt	15	3,790	0	32,047	35,837	1,080	36,917
Assistant Commissioner	G Stephens	16	236,987	2,900	0	239,887	67,426	307,313
Assistant Commissioner	S Kavanagh		214,697	0	0	214,697	0	214,697
T/Deputy Assistant Commissioner	A Heydari	17	168,610	2,900	0	171,510	39,951	211,461
Assistant Commissioner	A Marsh		178,919	0	0	178,919	0	178,919

8.3 Relevant police officers and senior staff remuneration* - year ended 31 March 2024

Post holder information (post title)	Name	Notes	Salary (including fees & allowances) (£)	Benefits (£)	Other Payments (£)	Total remuneration excluding pension contributions 2023/24 (£)	Pension contributions (£)	Total remuneration including pension contributions 2023/24 (£)
T/Deputy Assistant Commissioner	N Jerome	18	59,425	2,900	0	62,325	0	62,325
Assistant Commissioner	S Jupp	19	122,305	2,900	0	125,205	0	125,205
Assistant Commissioner	C Haward	20	14,809	0	0	14,809	4,244	19,053
Programme Director, Productivity Review	S House	21	115,941	2,900	0	118,841	2,230	121,071
MOPAC								
Chief Executive Officer	D Luchford		171,341	0	0	171,341	51,613	222,954
Deputy Mayor for Policing And Crime			142,386	0	0	142,386	42,840	185,226
Director of Audit, Risk and Assurance			132,516	0	0	132,516	39,849	172,365
Director of Strategy and MPS Oversight			131,968	0	0	131,968	39,683	171,651
Director of Partnerships and Commissioning			131,968	0	0	131,968	39,683	171,651
Victims Commissioner			122,967	0	0	122,967	36,956	159,923
Director of Corporate Services and CFO			143,882	0	0	143,882	43,293	187,175
Interim Director of Corporate Services and CFO		22	0	0	0	0	0	0
Chief People Officer			106,005	0	0	106,005	31,817	137,822
Director of Violence Reduction Unit			131,765	0	0	131,765	39,465	171,230
Violence Reduction Unit Director of Strategy and Operations			121,148	0	0	121,148	37,284	158,432

***Individuals whose salary is £150,000 or more per annum are required to also be identified by name**

8.3 Relevant police officers and senior staff remuneration - year ended 31 March 2024

1. N Ephgrave left on 6 April 2023
2. P Mills was appointed AC on 23 October 2023 with an annualised salary of £220,713
3. B Javid left on 5 November 2023
4. T Jacques left on 2 February 2024
5. A Valentine joined the Met on 20 March 2023 and they were temporarily promoted to DAC on 16 April 2023 with an annualised salary of £158,595
6. M Ward was appointed DAC on 17 April 2023 with an annualised salary of £158,595
7. A Blatchford left on 31 March 2024
8. A Scholes was appointed as interim Chief Finance Officer from 24/07/2023. They were not salaried and a total payment of £192,218 was made for this period. Unlike remuneration payments made to employees in the table, interims do not receive pensions, benefits, holiday pay and are liable to pay their own employer taxes.
9. I Percival was acting CFO until 23/7/2023. They held the post of Director of Finance until their departure in April 2024
10. P Stuart-Lacey left on 30 April 2023
11. M Thorp was appointed T/Director of Strategy and Data on 1/11/22 until 7/11/23 and had an annualized salary of £150,000
12. A Scott joined on 3 October 2023 with an annualised salary of £157,000
13. S Bramley left on 31 December 2023
14. J Leonard was appointed Temporary Chief Legal Officer on 27 November 2023 with an annualised salary of £153,403
15. M Hewitt left on 6 April 2023
16. G Stephens was appointed Assistant Commissioner on 1 April 2023
17. A Heydari held the post of Commander until their appointment to T/DAC on 21 August 2023
18. N Jerome left on 30 July 2023
19. S Jupp left on 3 December 2023
20. C Haward was appointed Assistant Commissioner on 4 March 2024
21. S House left on 3 October 2023
22. The individual was employed as Interim Director of Corporate Services and CFO from 1/9/23 to 31/3/24 to cover maternity leave. They were not salaried and a total payment of £209,371 was made for this period. Unlike remuneration payments made to employees in the table, interims do not receive pensions, benefits, holiday pay and are liable to pay their own employer taxes.

Additional information

Benefits includes the annual membership of the Chief Police Officers' Staff Association.

***Individuals whose salary is £150,000 or more per annum are required to also be identified by name**

8.4 Relevant police officers and senior staff remuneration* - year ended 31 March 2023

Post holder information (post title)	Name	Notes	Salary (including fees & allowances) (£)	Benefits (£)	Other Payments (£)	Total remuneration excluding pension contributions 2022/23 (£)	Pension contributions (£)	Total remuneration including pension contributions 2022/23 (£)
CPM								
Commissioner	C Dick	1	17,008	3,075	165,727	185,810	0	185,810
Commissioner	M Rowley	2	166,870	1,794	0	168,664	0	168,664
Deputy Commissioner	S House	3	123,462	3,075	0	126,537	0	126,537
Deputy Commissioner	L Owens	4	138,624	1,794	0	140,418	0	140,418
Assistant Commissioner	H Ball	5	136,296	3,075	0	139,371	0	139,371
Assistant Commissioner	N Ephgrave	6	227,633	3,075	0	230,708	53,827	284,535
Assistant Commissioner	L Rolfe		245,772	3,075	0	248,847	64,519	313,366
Assistant Commissioner	M Jukes		240,963	3,075	0	244,038	64,519	308,557
Assistant Commissioner	B Gray	7	215,970	3,075	0	219,045	0	219,045
T/Assistant Commissioner	M Twist	8	194,355	3,075	0	197,430	49,738	247,168
Deputy Assistant Commissioner	G McNulty	9	141,677	3,075	0	144,752	39,389	184,141
Deputy Assistant Commissioner	L Taylor		175,284	3,075	0	178,359	49,738	228,097
Deputy Assistant Commissioner	D Haydon	10	61,875	3,075	0	64,950	0	64,950
Deputy Assistant Commissioner	M Horne		178,878	3,075	0	181,953	0	181,953
Deputy Assistant Commissioner	A Pearson	11	191,889	3,075	0	194,964	45,571	240,535
Deputy Assistant Commissioner	S Cundy		178,878	3,075	0	181,953	49,738	231,691
Deputy Assistant Commissioner	B Javid	12	179,745	3,075	0	182,820	0	182,820
T/Deputy Assistant Commissioner	J Connors	13	154,359	3,075	0	157,434	43,637	201,071
Deputy Assistant Commissioner	H Millichap	14	152,696	3,075	0	155,771	39,401	195,172
Deputy Assistant Commissioner	A Boon	15	134,080	3,075	0	137,155	36,965	174,120
Deputy Assistant Commissioner	A Adelekan	16	141,824	3,075	0	144,899	39,366	184,265
Deputy Assistant Commissioner	T Jacques	17	51,023	3,075	0	54,098	12,500	66,598
T/Deputy Assistant Commissioner	N John	18	141,629	3,075	0	144,704	35,323	180,027
T/Deputy Assistant Commissioner	C Roper	19	139,464	3,075	0	142,539	33,895	176,434
Commander	A Heydari		154,542	3,075	0	157,617	37,728	195,345
Chief of Corporate Services	R Wilkinson	20	69,873	3,075	0	72,948	21,172	94,120
Chief People and Resources Officer	C Davies	21	171,854	3,075	0	174,929	49,243	224,172
A/Chief of Corporate Services	R Hughes	22	109,773	0		109,773	28,786	138,559
Chief Digital Data and Technology Officer	J Clarke	23	140,001	0	78,145	218,146	0	218,146
Interim Chief Digital Data and Technology	D Scates	24	172,226	0	0	172,226	37,409	209,635
Director of Service Delivery	A Blatchford		156,693	0	0	156,693	35,964	192,657
Director of Solution Delivery	D Pitty		159,805	0	0	159,805	36,907	196,712
Director of Finance	I Percival		142,941		0	142,941	39,675	182,616
Director of Operational Support Services	M Heracleous		150,000	3,075	0	153,075	34,997	188,072
Director of Communications and Engagement	P Stuart-Lacey		155,000	0	0	155,000	45,450	200,450
Chief Scientific Officer	L Sherman	25	75,000	1,537	0	76,537	19,695	96,232
Interim Director of Strategy and Transformation Officer	M Thorp	26	141,250	0	0	141,250	36,360	177,610
Chief Legal Officer	S Bramley		149,459	0	0	149,459	45,286	194,745

8.4 Relevant police officers and senior staff remuneration* - year ended 31 March 2023

Post holder information (post title)	Name	Notes	Salary (including fees & allowances) (£)	Benefits (£)	Other Payments (£)	Total remuneration excluding pension contributions 2022/23 (£)	Pension contributions (£)	Total remuneration including pension contributions 2022/23 (£)
NPCC and other secondees out of the Met								
Assistant Commissioner	M Hewitt	27	226,557	3,075	0	229,632	64,519	294,151
Assistant Commissioner	A Basu	28	150,124	3,075	0	153,199	42,745	195,944
Assistant Commissioner	S Kavanagh		205,482	0	0	205,482	0	205,482
Assistant Commissioner	R Beckley		69,945	3,075	0	73,020	0	73,020
Assistant Commissioner	A Marsh		171,108	0	0	171,108	0	171,108
T/Deputy Assistant Commissioner	N Jerome		178,878	3,075	0	181,953	0	181,953
Assistant Commissioner	S Jupp	29	87,511	0	0	87,511	0	87,511
NPCC Programme Director, Programme Productivity Review	S House	30	143,307	0	0	143,307	0	143,307
MOPAC								
Chief Executive Officer	D Luchford		159,697	0	0	159,697	48,237	207,934
Deputy Mayor for Policing And Crime			135,797	0	0	135,797	40,995	176,792
Director of Audit, Risk and Assurance			123,412	0	0	123,412	37,242	160,654
Director of Strategy and MPS Oversight			122,900	0	0	122,900	37,087	159,987
Director of Partnerships and Commissioning			122,900	0	0	122,900	37,087	159,987
Victims Commissioner			107,702	0	0	107,702	32,158	139,860
Director of Corporate Services and CFO			133,100	0	0	133,100	40,178	173,278
Director of Corporate Services and CFO (maternity cover)		31	0	0	0	0	0	0
Chief People Officer			97,324	0	0	97,324	29,338	126,662
Director of Violence Reduction Unit			122,227	0	0	122,227	36,883	159,110
Violence Reduction Unit Director of Strategy and Operations		32	97,141	0	0	97,141	29,384	126,525
						0		0

8.4 Relevant police officers and senior staff remuneration - year ended 31 March 2023

1. C Dick left on 24/4/22 and received a payment in relation to her resignation
2. M Rowley was appointed on 12/9/22 with an annualized salary of £294,840
3. S House was acting Commissioner from 11/4/22 to 11/9/22 and they took a position with the NPCC see note 30
4. L Owens joined on 12/9/22 as acting Deputy Commissioner and appointed Deputy Commissioner on 20/2/23 with an annualized salary of £243,744
5. H Ball was Acting Deputy Commissioner from 9/5/22 to 11/9/22 and retired on 31/10/22
6. N Ephgrave retired on 6/4/23
7. B Gray previously DAC was appointed Assistant Commissioner on 10/10/22
8. M Twist previously DAC was temporarily appointed Assistant Commissioner on 10/10/22
9. G McNulty left on 16/1/23
10. D Haydon left on 21/7/22
11. A Pearson left on 28/2/23
12. B Javid was T/DAC and was appointed DAC on 27/6/22
13. J Conners was T/DAC until 15/2/23 when they left
14. H Millichap held the post of Commander until their appointment to T/DAC on 11/10/22 and was appointed DAC on 20/2/23
15. A Boon held the post of Commander until their appointment to DAC on 20/2/23
16. A Adelekan held the post of Commander until their appointment to DAC on 20/2/23
17. T Jacques joined the MPS as DAC on 1/1/23 and they also old the position of Senior National Coordinator with an annualized salary of £158,595
18. N John held the position of Commander until their appointment to T/DAC on 11/10/22 until 20/2/23
19. C Roper held the post of Commander until their appointment to T/DAC on 21/12/22. They left on 20/2/23
20. R Wilkinson left on 12/8/22
21. C Davies held the post of Director of Human Resources until their appointment as Interim Deputy Chief of Corporate Services from 21/2/22 to 4/1/23 when they were appointed Chief People and Resources Officer
22. R Hughes was appointed Acting Chief of Corporate Services on 13/6/22 until 28/10/22
23. J Clarke left on 31/10/22
24. D Scates held the post of Director of Technology until their appointment on 1/8/22 to Interim Chief Digital Data and Technology Officer

25. L Sherman joined on 1/10/22 as Chief Scientific Officer with an annualized salary of £150,000
26. M Thorp was appointed T/Director of Strategy and Data on 1/11/22 with an annualized salary of £150,000
27. M Hewitt retired on 6/4/23
28. A Basu retired on 29/11/22
29. S Jupp joined on 3/10/22
30. S House left the MPS on 11/9/22 and took up a role with the NPCC
31. The individual was employed on an interim basis from 1/4/22 until the 1/2/23. They were not salaried and a total payment of £197,784 was made for this period. Unlike remuneration payments made to employees in the table, interims do not receive pensions, benefits and holiday pay.
32. This new role that was created to accommodate the growth within the Violence Reduction Unit. The individual was appointed to the role on 16/11/22 on an annualized salary of £115,000

Additional information

Benefits includes the annual membership of the Chief Police Officers' Staff Association.

***Individuals whose salary is £150,000 or more per annum are required to also be identified by name**

9. Related party transactions

IAS 24 (Related Party Transactions) requires the Group to disclose all material transactions with related parties, that is bodies or individuals that have the potential to influence the Group or to be controlled or influenced by key individuals of the Group including the Mayor and Deputy Mayor, the Commissioner, members of the MOPAC Senior Management Team, and MPS Management Board. Disclosure of these transactions allows readers to assess the extent to which the Group might have been constrained in its ability to operate independently, or might have secured the ability to limit another party's ability to bargain freely with the Group. This disclosure note has been prepared on the basis of specific declarations obtained for the year ended 31 March 2024, in respect of related party transactions.

CPM and MOPAC

The primary function of MOPAC is to secure the maintenance of an efficient and effective Metropolitan Police Service in London and to hold the CPM to account for the exercise of operational policing duties under the Police Act 1996. MOPAC is responsible for setting the Police and Crime Plan. Whilst the Commissioner is operationally independent and receives an annual budget, MOPAC is responsible for financial administration within the Group. The CPM holds no reserves or cash balances and assets. All payments for the Group are made by MOPAC from the MOPAC Police Fund and all funding and income is received by MOPAC. The CPM is dependent on MOPAC to discharge any liabilities, for instance to administer police pensions or settle future obligations. More information can be found on this relationship in Note 6.

Central Government and other public bodies

Central Government has a significant influence over the general operations of the Group. It is responsible for providing the statutory framework within which the Group operates as well as providing a substantial part of its funding in the form of grants and prescribes the terms of many of the transactions that the Group has with other parties. Grants received from Central Government are set out in the subjective analysis in Note 14 and Note 15:

Greater London Authority

The MOPAC Group is one of the functional bodies of the Greater London Authority (GLA), the other bodies being the London Fire Commissioner, which replaced the London Fire and Emergency Planning Authority on 1 April 2018, Transport for London, Old Oak and Park Royal Development Corporation and the London Legacy Development Corporation.

The Mayor sets MOPAC's budget, including the precept for the GLA. The London Assembly approves MOPAC's budget for the police and may amend the precept for the GLA. In addition, Section 32 of the Police Reform and Social Responsibility Act 2011 requires the GLA London Assembly to establish a committee called the 'Police and Crime Committee' to exercise functions in relation to scrutiny of MOPAC. The Committee's responsibilities include reviewing the draft Police and Crime Plan and scrutiny of particular decisions made or actions taken by MOPAC in the discharge of its responsibilities. Monies received from the GLA in the form of grants and precepts are disclosed in Note 14.

The net receipts from Transport for London were £127.363 million in 2023/24 (£120.238 million in 2022/23).

The net expenditure with the London Fire Commissioner was £0.48 million in 2023/24 (£0.235 million in 2022/23).

The net receipts from Old Oak and Park Royal Development were £0.035 million in 2023/24 (£0.044 million in 2022/23).

The net receipts from London Legacy Development Corporation were £0.058 million in 2023/24 (£0.058 million in 2022/23).

Other bodies

Police Now was established in January 2016 to run the National Graduate Leadership Development Programme. MOPAC spent £4.890 million in 2023/24 (£0.586 million in 2022/23). The Assistant Commissioner of Professionalism and Assistant Commissioner of Met Operations are Board members.

MOPAC is the member of, and the sole owner of, the Police Crime Prevention Initiatives' Ltd (PCPI) which is a company limited by guarantee without share capital. The MOPAC Head of Operational Oversight is director of the Company and has influence over the operation and running of the company. Police Crime Prevention Initiatives main operation is through 'secure by design' which supports the principles of 'designing out crime' through physical security and processes. MOPAC spent £0.332 million (£0.478 million in 2022/23) and owed £0.002 million with Police Crime Prevention Initiatives Ltd in 2023/24 (£0.032 in 2022/23). Police Crime Prevention Initiatives is a not for profit company, run for the national good with all money made supporting crime prevention. MOPAC does not receive any financial benefit from this company.

The MOPAC Group administers a number of charities on behalf of third parties. Full details of the charities and their purpose are disclosed in Note 24. The Assistant Commissioner of Frontline Policing is a Trustee of the Metropolitan Police Sports Fund. In 2023/24 the MOPAC Group paid £36k (£35k 22/23) to the MPS Sports Fund. The Chief People and Resources Officer and the Chief Legal Officer (to December 2023) are Trustees of the Metropolitan Police Staff Welfare Fund. In 2023/24 the MOPAC Group paid £12k (£11k in 2022/23) to the MPS Staff Welfare Fund.

10. Auditors' remuneration

The audit fee payable to Grant Thornton UK LLP during the year totalled £629,779 (£305,808 in 2022/23) for the Group, of which £340,125 related to MOPAC and £289,654 related to the CPM (£169,108 for MOPAC in 2022/23, £136,700 for CPM).

11. Interest payable and similar charges

Interest paid in 2023/24 and 2022/23 is as follows:

£000	2023/24	2022/23
Public Work Loans Board	15,773	14,328
PFI and finance lease	10,571	12,356
Other interest cost	123	0
Total	**26,467**	**26,684**

12. Pension costs

As part of the terms and conditions of employment the Group offers retirement benefits for Police Officers and Police Staff.

12.1 Police officers'

The pension scheme for police officers, the Police Pension Scheme 2015, is an unfunded, defined benefit scheme. An unfunded, defined benefit scheme has no investment assets to meet its pension liability and must generate cash to meet the actual pension payments as they fall due. These benefits payable are funded by contributions from employers and police officers and as a rule any shortfall is met by a top up grant from the Home Office, as was the case in 2023/24. The Group pays employer contributions at a rate of 31% of pensionable salary into the Fund. Further details of the schemes can be found in the Police Officer Pension Fund Accounts.

The Commissioner is the administering body under the Police Reform and Social Responsibility Act 2011. The Police Officer Pension Fund's Financial Statements and notes are included on Pages 73-75 of this document.

The principal risks of the schemes relate to the longevity assumptions, statutory changes to the schemes, changes to inflation and to bond yields. These are mitigated by the statutory requirements to charge to the General Reserves the amounts required by statute as described in the accounting policies Note 2.7 on post employment benefits.

Police officers' pensions income and expenditure

£000	2023/24	2022/23
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Service cost comprising:		
Current Service Cost	310,000	925,600
Past service cost	1,100	2,700
Transfers in/(out)	1,900	3,800
Actuarial loss/(gain) - injury pensions	(38,200)	(821,400)
Financing and Investment Income and Expenditure		
Interest Expense	1,144,400	1,061,600
Total Post Employment Benefits charged to the Surplus or Deficit on the Provision of Services	**1,419,200**	**1,172,300**
Re-measurement of the defined benefit liability comprising:		
Actuarial loss/(gain) arising on changes in demographic assumptions - excluding injury pensions	(120,600)	(418,300)
Actuarial loss/(gain) arising on changes in financial and other assumptions - excluding injury pensions	(630,500)	(14,876,200)
Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement	**(751,100)**	**(15,294,500)**
Movement in Reserves Statement (MIRS)		
Reversal of charges made to Surplus or Deficit on the Provision of Services for post employment benefits	(1,419,200)	(1,172,300)
Actual amount charged against the General Reserves Balance for pensions in the year - Pension Costs	812,400	781,500

The Table above shows the transactions have been made in the Group CIES and the General Reserves Balance via the Group MIRS during the year as described more fully in Note 6. The following police pension costs are recognised in the CPM Accounts in the first instance:

- Current/past service costs, past service gains and the actuarial loss/(gain) have been produced by actuaries;
- Transfers in/(out) are in respect of monies received/paid from/to other authorities in respect of Officers who have either joined or left the Group;
- Interest on pension liability represents the expected increase during the year in the present value of the scheme liabilities because the benefits are one year closer to settlement.

Police injury pensions are considered to be a cost to the service and as such the gains/loss on this type of pension has been incorporated in the Net Cost of Policing Services together with other related charges (see below for analysis of movements on liabilities for the funds).

Police officers' contributions to the schemes amounted to £187.3 million in the year ended 31 March 2024. In the year ended 31 March 2024, employer pension contributions have been charged to the revenue account on the basis of pensions payable in the year and totalled £770.4 million. In the year to 31 March 2024 the net costs of pensions and other benefits amounted to £819.6.4 million, representing 52.4% of pensionable pay.

Assets and liabilities in relation to retirement benefits

In accordance with IAS 19 requirements, the total liability of the Police Officer Pension Fund is included in the Balance Sheet. Although these will not actually be payable until officers retire, the Group has a commitment to make the payments that need to be disclosed at the time that officers earn their future entitlement. The Group had the following overall liabilities for pensions at 31 March 2024 that have been included in the Balance Sheet:

£ million	2023/24	2022/23
Officer members	(7,935)	(7,794)
Deferred pensioners	(1,291)	(1,291)
Pensioners	(13,956)	(14,242)
Injury pensions	(1,016)	(1,016)
Total value of scheme liabilities	**(24,198)**	**(24,343)**

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Hymans Robertson LLP, an independent firm of actuaries, has assessed the scheme liabilities as at 31 March 2024. The movement in the present value of the scheme liabilities for the year to 31 March 2024 can be reconciled as follows:

	Excluding injury benefits	**Excluding injury benefits**	**Injury benefits only**	**Injury benefits only**
£ million	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Scheme liabilities at 1 April	**(23,327)**	**(37,477)**	**(1,016)**	**(1,769)**
Current service cost including Home Office contribution.	(286)	(873)	(24)	(53)
Officer contributions	(185)	(176)		
Benefits paid	964	925		
Injury award expenditure			34	32
Transfers from / to other authorities	(2)	(4)		
Past service cost (injury benefits)	(1)	(3)		

Interest cost on pension liabilities.	(1,097)	(1,014)	(48)	(48)
Re-measurement gains and losses:				
Actuarial (loss)/gain arising on changes in demographic assumptions	121	418	5	20
Actuarial (loss)/(gain arising on changes in financial assumptions	1,283	14,042	61	703
Other Experience	(652)	835	(28)	99
Scheme liabilities at 31 March	**(23,182)**	**(23,327)**	**(1,016)**	**(1,016)**

Actuarial assumptions

The value of the liabilities for IAS 19 purposes is dependent on assumptions made by the Scheme's actuaries, Hymans Robertson LLP. The financial assumptions reflect market expectations at the reporting date. Changes in market conditions that result in changes in the net discount rate (essentially the difference between the discount rate and the assumed rates of increase of salaries, deferred pension revaluation or pension-in-payment), can have a significant effect on the value of the liabilities reported. A reduction in the net discount rate will increase the assessed value of liabilities as a higher value is placed on benefits paid in the future. A rise in the net discount rate will have an opposite effect of similar magnitude. The effect of a change in the net discount rate on the value placed on the liabilities of each scheme is shown in the sensitivity analysis schedule below.

There is also uncertainty around the life expectancy of the UK population. The value of current and future pension benefits will also depend on the life expectancy of the officers and dependents. The disclosures have been prepared using mortality assumptions of 105% of the S3NFA and S3NMA "year of birth" tables with future improvements based on the CMI 2022 model with a long term rate of improvement of 1.5% per annum.

The significant actuarial assumptions used in their calculations are:

Assumptions	**All Schemes 2023/24**	**All Schemes 2022/23**
CARE revaluation rate	4.00%	4.20%
Rate of increase of salary (note i)	3.10%	3.20%
Rate of increase in pensions	2.75%	2.95%
Rate for discounting scheme liabilities (note ii)	4.85%	4.75%

i. Future salary increases are assumed to be within an acceptable range;
ii. The current discount rate is based on current rate of return available on high quality corporate bonds of equivalent currency and term to the scheme liabilities.

Mortality
Life expectancy is based on actuarial tables with future improvement in line with the CMI 2022 model with a long term rate of improvement of 1.5% per annum. The actuarial mortality rate assumptions used in their calculations are:

Mortality rate	**Males 2023/24**	**Males 2022/23**	**Females 2023/24**	**Females 2022/23**
Current pensioners	26.5 years	26.7 years	29.4 years	29.2 years
Future pensioners*	27.9 years	28.1 years	30.7 years	30.6 years

*Future pensioners are assumed to be aged 45 at 31 March 2023.

Sensitivity analysis
The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out above. The sensitivity analyses below have been determined based on reasonably possible changes to the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The estimations in the sensitivity analysis have followed the accounting policies for the scheme,

i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis are consistent with those used in the previous period.

The sensitivities regarding the significant assumptions used to measure the scheme liabilities are set out below:

Financial assumptions	Approximate % increase to employer liability		Approximate monetary amount (£000)	
	2023/24	2022/23	2023/24	2022/23
0.5% decrease in real discount rate	100%	10%	2,431,220	2,416,096
1 year increase in member life expectancy	3%	3%	725,950	730,274
0.5% increase in the salary increase rate	1%	1%	114,820	118,272
0.5% increase in the pension increase rate (CPI)	8%	8%	1,902,340	1,913,659

An estimate of contributions expected to be paid to the scheme for the future financial year:

£ million	2023/24	2022/23
Projected current service cost	268	310
Interest on obligation	1,161	1,146
Total	**1,429**	**1,456**

The weighted average duration of the defined benefit obligation is:

Weighted average duration	2023/24	2022/23
Active members	28.2 Years	27.9 Years
Deferred pensioners	25.8 Years	25.8 Years
Pensioners	13.2 Years	13.2 Years
Injury pensions	19.0 Years	18.8 Years

Guaranteed Minimum Pension

In respect of Guaranteed Minimum Pension, the actuary has only allowed for Guaranteed Minimum Pension full indexation for active members. No adjustment has been made for pensioners and deferred members. Given the inherent uncertainty surrounding the calculations, we have deemed that this is a reasonable approach and would not lead to a material adjustment to the pension liability.

12.2 Police staff

The Civil Service pension scheme is an unfunded multi-employer defined benefit scheme (see accounting policies Note 2.7 for details of membership). The Group is unable to identify its share of the underlying assets and liabilities with the result that under IAS 19 the scheme is accounted for as a defined contribution scheme with the cost of pension contributions into the scheme recognised in the Accounts but no share of scheme assets or liabilities recognised on the Balance Sheet.

A full actuarial valuation was carried out at 31 March 2020. More information can be found in the Cabinet Office: Civil Superannuation Accounts:
https://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/)

For the year ended 31 March 2024, employer's contributions of £143.4 million were payable to the Cabinet Office at one of four rates in the range 26.6 to 30.3 percent of pensionable pay, based on salary bands. In the year to 31 March 2024, the net cost of pensions amounted to £146.6 million, representing 27.2% of pensionable pay. The Group is not liable for any other entities' obligations under the plan.

13. Other operating expenditure

13.1 Gains and losses on disposal of non-current assets

The following gains and losses were made on disposal of property (land and building), plant and equipment:

£000	2023/24 Property	2023/24 Plant and Equipment	2023/24 Total	2022/23 Property	2022/23 Plant and Equipment	2022/23 Total
Losses	8,909	1,954	10,863	11,772	2,403	14,175
Gains	0	(185)	(185)	(44,375)	(348)	(44,723)
Net (gain)/loss	**8,909**	**1,769**	**10,678**	**(32,603)**	**2,055**	**(30,548)**

The gains and losses on disposal of assets, as disclosed above, exclude all minor proceeds below £10,000 from the sale of vehicles that have reached the end of their useful economic life.

14. Non-specific grant income

The Greater London Authority precepts London Boroughs for Council Tax and receives Police Formula Grant, Police Revenue Grant and Council Tax Support Grant directly from central government. The central funding allocated and the police precept for the year ended 31 March 2024 was:

£000	2023/24	2022/23
Retained Business Rates	(94,792)	(65,393)
Formula Grant	(906,977)	(903,838)
Police Precept	(902,427)	(842,267)
Police Revenue Grant	(1,257,685)	(1,254,006)
Council Tax Support	(119,676)	(119,676)
Total	**(3,281,557)**	**(3,185,180)**

14.1 Capital grants

The Group recognises capital grants through the CIES when conditions attached to them have been met or where no conditions have been attached.

£000	2023/24	2022/23
Capital grants	**(61,203)**	**(64,516)**

15. Specific grants

The Group received the following grants for specific operational activities:

£000	2023/24	2022/23
Home Office - Counter Terrorism	(394,584)	(366,752)
Home Office - CT Protective Security Grant	(199,260)	(187,037)
Ministry of Justice - Victim Services	(22,765)	(21,715)
Home Office - Specific Operational Projects	(269,186)	(258,151)
Miscellaneous grants	(1)	(1)
Partnership Funding	(8,341)	(10,402)
Total	**(894,137)**	**(844,058)**

16. Group and MOPAC non current assets at 31 March 2024

£000	Property	Plant and equipment	Assets under construction	Surplus Assets	Sub total	Heritage assets	Investment properties	Intangible assets	Total
Cost or valuation at 1 April 2023	**1,980,664**	**672,092**	**485,707**	**0**	**3,138,463**	**1,319**	**2,760**	**5,735**	**3,148,277**
Reclassifications (transfers)	52,852	160,763	(262,081)	48,430	(36)	36	0	0	**0**
Assets reclassified (to)/from held for sale	3,894	(1,081)	0	0	2,813	0	0	0	**2,813**
Additions	3	43,255	262,225	0	305,483	0	0	0	**305,483**
Disposals	(421)	(95,717)	0	0	(96,138)	0	0		**(96,138)**
Impairment	0	0	0	0	0	0	0	0	**0**
Revaluation movements through CIES	(72,645)	0	0	0	(72,645)	0	80	0	**(72,565)**
Revaluation movements in reserves	(127,269)	0	0	0	(127,269)	0	0	0	**(127,269)**
Cost or valuation at 31 March 2024	**1,837,078**	**779,312**	**485,851**	**48,430**	**3,150,671**	**1,355**	**2,840**	**5,735**	**3,160,601**
Depreciation at 1 April 2023	**(69,476)**	**(365,345)**	**0**	**0**	**(434,821)**	**(11)**	**0**	**(5,733)**	**(440,565)**
Depreciation/amortisation for the year	(77,348)	(108,347)	0	(145)	(185,840)	0	0	(6)	**(185,846)**
Depreciation written out on valuation to the Revaluation Reserve	40,623	47,416	0	0	88,039	8	0	20	**88,067**
Depreciation on assets sold	171	93,812	0	0	93,983	0	0	0	**93,983**
Depreciation written out on revaluation recognised in the CIES	16,140	0	0	0	16,140	0	0	0	**16,140**
Depreciation on assets held for sale	(29)	833	0	0	804	0	0	0	**804**
Reclassification/transfers	281	36	0	(281)	36	(36)	0	0	**0**
Depreciation at 31 March 2024	**(89,638)**	**(331,595)**	**0**	**(426)**	**(421,659)**	**(39)**	**0**	**(5,719)**	**(427,417)**
Net Book Value at 31 March 2024	**1,747,440**	**447,717**	**485,851**	**48,004**	**2,729,012**	**1,316**	**2,840**	**16**	**2,733,184**
Net Book Value at 31 March 2023	**1,911,188**	**306,747**	**485,707**	**0**	**2,703,642**	**1,308**	**2,760**	**2**	**2,707,712**

16. Group and MOPAC non current assets at 31 March 2023

£000	Property	Plant and equipment	Assets under construction	Surplus Assets	Sub total	Heritage assets	Investment properties	Intangible assets	Total
Cost or valuation at 1 April 2022	**1,974,081**	**537,790**	**440,941**	**0**	**2,952,812**	**1,319**	**6,090**	**5,870**	**2,966,091**
Reclassifications (transfers)	57,295	140,902	(198,197)	0	0	0	0	0	**0**
Assets reclassified (to)/from held for sale	16,405	(1,959)	0	0	14,446	0	0	0	**14,446**
Additions	10	22,614	243,006	0	265,630	0	0	0	**265,630**
Disposals	(17,010)	(27,255)	(43)	0	(44,308)	0	0	(135)	**(44,443)**
Impairment	0	0	0	0	0	0	0	0	**0**
Revaluation movements through CIES	(155,994)	0	0	0	(155,994)	0	(3,330)	0	**(159,324)**
Revaluation movements in reserves	105,877	0	0	0	105,877	0	0	0	**105,877**
Cost or valuation at 31 March 2023	**1,980,664**	**672,092**	**485,707**	**0**	**3,138,463**	**1,319**	**2,760**	**5,735**	**3,148,277**
Depreciation at 1 April 2022	**(93,250)**	**(296,875)**	**0**	**0**	**(390,125)**	**(11)**	**0**	**(5,802)**	**(395,938)**
Depreciation/amortisation for the year	(50,763)	(96,061)	0	0	(146,824)	0	0	(62)	**(146,886)**
Depreciation written out on valuation to the Revaluation Reserve	44,407	0	0	0	44,407	0	0	0	**44,407**
Depreciation on assets sold	4,372	25,734	0	0	**30,106**	0	0	131	**30,237**
Depreciation written out on revaluation recognised in the CIES	25,927	0	0	0	25,927	0	0	0	**25,927**
Depreciation on assets held for sale	(169)	1,857	0	0	1,688	0	0	0	**1,688**
Depreciation at 31 March 2023	**(69,476)**	**(365,345)**	**0**	**0**	**(434,821)**	**(11)**	**0**	**(5,733)**	**(440,565)**
Net Book Value at 31 March 2023	**1,911,188**	**306,747**	**485,707**	**0**	**2,703,642**	**1,308**	**2,760**	**2**	**2,707,712**
Net Book Value at 31 March 2022	**1,880,831**	**240,915**	**440,941**	**0**	**2,562,687**	**1,308**	**6,090**	**68**	**2,570,153**

16.1 Basis of valuation

MOPAC's operational property was revalued as at 31 March 2024 as a part of the revaluation programme. For the revaluation programme 20% of the assets are physically inspected as well as the top 20 properties by value. The remaining 80% are revalued on a desktop basis. This approach is part of a rolling programme of revaluations that is conducted by Avison Young (member of the Royal Institute of Chartered Surveyors) ensuring that all operational land and buildings within the estate are subject to inspection and revaluation at least once every five years.

The residential and investment property portfolios were also revalued as at 31 March 2024 as a part of the revaluation programme. Again 20% of the assets are physically inspected each year whilst 80% are revalued on a desktop basis. This rolling programme of residential revaluations is performed by Avison Young ensuring that all of the residential properties are subject to inspection and revaluation at least once every five years.

The information provided by MOPAC to the valuers and the assumptions and valuations made by the valuers are reviewed by the Property Services Team throughout the valuation process.

Investment properties and surplus assets were revalued as at 30 September 2023 using the IFRS 13 Fair Value market approach. The IFRS 13 Fair Value market approach uses prices and other relevant information (inputs) generated by market transactions involving similar properties and applies the valuer's professional judgment in accordance with the RICS Valuation - Professional Standards 2014 published by the Royal Institution of Chartered Surveyors.

The IFRS 13 on Fair Value includes a fair value hierarchy that categorises the inputs to valuation techniques used to measure fair value into three (input) levels:

Level 1: Observable quoted prices, in active markets;

Level 2: Quoted prices are not available but fair value is based on observable market data;

Level 3: Unobservable inputs.

London property market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant; hence we have categorised the valuations of our investment portfolio as Level 2 inputs in the fair value hierarchy.

At 31 March 2024 the group carrying value of investment properties was £2.8 million, (2022 £2.8 million).

The Group's policy is to recognise transfers within fair value hierarchy levels at the valuation date or the date of event or change in circumstance that caused the transfer. There have been no transfers during the period.

Buildings under construction and other property works are valued on the basis of the associated land value plus the cumulative construction costs incurred at 31 March 2024.

Short life assets such as vehicles, plant, furniture and equipment are included at net depreciation cost. Heritage assets have been included in the Balance Sheet following valuations placed on them by internal and external valuers. These consist of pictures, medals, vehicles, furniture and museum pieces, which are at present in long-term storage, which have been gifted over many years.

During the year, transfers of £262 million were made for those assets under construction, which were completed and became operating assets.

16.2 Impairment

Management has considered the condition of Non-Current Assets and concluded that there is no indication that any material impairment is needed to be recognised for this financial year.

16.3 Capital Financing Requirement

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Group, the expenditure results in an increase in the Capital Financing Requirement, a measure of the capital expenditure incurred historically by MOPAC that has yet to be financed.

£000	2023/24	2022/23
Opening Capital Financing Requirement	**981,667**	**1,019,123**
Capital Investment		
Property	3	10
Plant and equipment	43,255	22,614
Intangible assets		
Assets under construction	262,225	243,006
Investment properties	0	0
Sources of finance		
Capital receipts	(8,959)	(93,431)
Government grants and other contributions	(61,203)	(64,781)
Sums set aside from revenue:		
Direct revenue contributions	(12,884)	(77,509)
Minimum Revenue Provision	(66,190)	(67,365)
Closing Capital Financing Requirement	**1,137,914**	**981,667**
Explanation of movements in year		
(Decrease)/increase in underlying need to borrow (supported by government financial assistance)	(9,247)	(9,633)
(Decrease)/Increase in underlying need to borrow (unsupported by government financial assistance)	170,095	(21,805)
(Decrease)/increase in underlying need to borrow for PFI and Finance Lease assets	(4,601)	(6,018)
Increase in Capital Financing Requirement	**156,247**	**(37,456)**

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008, require MOPAC to charge to the MIRS a prudent level of Minimum Revenue Provision (MRP) for the redemption of debt. For the year ended 31 March 2024 MOPAC has made an MRP charge based on:

- the capital financing requirement method for all borrowing prior to 1 April 2008 and for any borrowing supported through the revenue grant settlement since 1 April 2008, and
- the asset life method for all unsupported borrowing undertaken since 1 April 2008 as permitted by the flexibilities provided under the Prudential Code.

16.4 PFI assets

These assets form part of the Property category within Note 16. There are two PFI contracts which together constitute the Group's PFI assets. One is for the provision of a firearms training facility and public order training facility, including the provision of all necessary structures, accommodation, support services and equipment. The Agreement is for a period of 25 years commencing January 2003 and includes for a price review of defined services every 5 years. At the end of the 25 year period the facility will be handed to the Group with the obligation of the Contractor to leave the training facility in 'working order'.

The other PFI contract is for the provision of four police stations across south east London including the provision of all necessary structures, office accommodation, support services and equipment. The Agreement is for a period of 25 years commencing January 2004 and provides for a price review of defined services every 5 years. At the end of the 25 year period the stations will be returned to the operator at no cost, or new leases could be negotiated.

The table below shows the value of training establishment and police station PFIs which are included in MOPAC Balance Sheet broken down by movements in year.

£000	2023/24	2022/23
Balance as at 1 April	**170,274**	**124,907**
Additions	0	0
Depreciation for year	(23,992)	(13,505)
Redundant depreciation	20,468	15,598
Transfer from work in progress	129	601
Revaluation movement	(8,837)	42,673
Balance as at 31 March	**158,042**	**170,274**

16.5 Payment analysis

The PFI agreements impose 25 year commitments on the Group from occupation and use of the facilities from 2003 and 2004. The unitary payments to be made under the PFI contracts as at 31 March 2024 are shown below. PFI liabilities are shown in Note 25.1

	Payment Analysis 2023/24			
£000	**Liability**	**Interest**	**Service charge**	**Total**
Within 1 year	7,433	10,867	15,282	33,582
2 to 5 years	35,621	41,929	60,530	138,080
6 to 10 years	559	608	1,488	2,655
11 to 15 years	0	0	0	0
Total	**43,613**	**53,404**	**77,300**	**174,317**

	Payment Analysis 2022/23			
£000	**Liability**	**Interest**	**Service charge**	**Total**
Within 1 year	4,569	9,103	18,860	32,532
2 to 5 years	36,255	45,605	91,118	172,978
6 to 10 years	7,359	7,798	31,537	46,694
11 to 15 years	0	0	0	0
Total	**48,183**	**62,506**	**141,515**	**252,204**

16.6 Leases

MOPAC as lessee

Operating leases

The Group has acquired a large and diverse portfolio of property leases, for example, office accommodation, police stations and patrol bases. In addition the Group leases include many safer neighbourhood offices, most of which have 10 year lives. In the year to 31 March 2024, the Group spent £23 million on operating leases for property and £0.24 million on operating leases for vehicles, most of which have 3 year lives. The lease payments due under non-cancellable leases in future years are:

	31 March 2024		31 March 2023	
£000	**Property**	**Vehicles**	**Property**	**Vehicles**
Operating leases				
Not later than 1 year	7,841	0	7,378	2
Later than 1 year and not later than 5 years	22,174	0	21,259	0
Later than 5 years	24,118	0	19,607	0
Total	**54,133**	**0**	**48,244**	**2**

Finance leases

The Group does not have any finance leases for vehicles, plant, or equipment. Following the adoption of IAS 17 the Group reviewed all existing property leases to evaluate the leases as at 31 March 2024 in order to determine whether they are a finance lease or an operating lease for land and/or for building. There are, in total, five property leases for which the building element is classified as a finance lease. The movements for the current year are shown below:

£000	2023/24	2022/23
Opening value 1 April	**119,201**	**115,239**
Additions	1,192	997
Revaluations	(47,748)	15,324
Disposal	0	(8,884)
Depreciation	(2,647)	(3,475)
Net carrying value 31 March	**69,998**	**119,201**

The Group is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired and finance costs that will be payable in future years while the liability remains outstanding.

The minimum lease payments are made up of the following amounts:

£000	31 March 2024	31 March 2023
Current liability	34	31
Long term liability	6,040	6,073
Finance costs payable in future years	13,455	14,051
Total of minimum lease payments (Net Present Value)	**19,529**	**20,155**

The minimum lease payments payable over the following periods are:

	Minimum lease payments		Finance lease liabilities	
£000	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Not later than 1 year	627	627	34	31
Later than 1 year and not later than 5 years	2,507	2,507	162	150
Later than 5 years	16,395	17,021	5,878	5,923
Total	**19,529**	**20,155**	**6,074**	**6,104**

Group as lessor
Operating leases
The Group leases out various interests in properties, including office space and short term leases for several blocks of flats classified as investment properties. The Group received rents amounting to £11.3 million (£5.7 million in 2022/23). The current lease payments receivable under non-cancellable leases in future years are:

£000	2023/24	2022/23
Not later than 1 year	12,604	7,583
Later than 1 year and not later than 5 years	50,248	30,312
Later than 5 years	93,353	64,041
Total	**156,205**	**101,936**

16.7 Component assets

The Group records a number of components in its fixed asset register consisting of assets in its PFI training establishment and a floating fuel facility as a component of a boat yard. All components have 15 years life spans, however as the total value is not considered significant, the assets have not been disclosed separately on the Balance Sheet.

16.8 Heritage assets

The Group looks after heritage assets which are recognised on the Balance Sheet (see note 16). Heritage Assets were donated or purchased and are held at valuation as a proxy for historical cost. In applying the accounting policy, the Group has identified that the assets have a value of £1.3 million. The Group maintains a large museum collection including paintings, police clothing, helmets, medals, and records, a selection of which are on display to the public at the Met Collection, Empress State Building. All of these items have previously been assessed by an independent valuer, and are currently held on the Balance Sheet at a value of £1.25 million. The Group owns an historic vehicle fleet consisting of 15 vehicles, currently housed at a secure garage at Hendon. They are not operational but are used in public events and maintained as part of MOPAC fleet. They are currently held on the Balance Sheet at a value of £65,800.

16.9 Future capital expenditure commitments

£000	2024/25 and later years	2023/24 and later years
IT Projects	82,554	57,239
Building Works	45,747	44,642
Vehicles. Plant and Equipment	20,021	20,335
Total	**148,322**	**122,216**

17. Assets held for sale

These consist of non current assets which have been authorised for sale by the Group and instruction given to agents for their disposal. The following table shows the movements and year end balances.

£000	2023/24	2022/23
Opening balance	25,174	80,868
Additional assets identified for disposal	250	101
Revaluation gains (losses)	(8,658)	367
Assets which are no longer being actively marketed	(3,865)	(16,236)
Assets disposed in year	(77)	(39,926)
Total	**12,824**	**25,174**

18. Short term debtors

£000	2023/24	2022/23
Trade receivables	43,716	45,322
Prepayments	33,037	32,110
Accrued income	254,997	257,561
Other receivable amounts*	55,583	49,988
Total before impairment loss allowance	**387,333**	**384,981**
Impairment loss allowance	(257)	(441)
Balance per balance sheet	**387,076**	**384,540**

'Short term debtors' represent assets which are expected to be realised within 12 months after the reporting date.

*The other receivable amounts balance is mainly made up of reimbursements due from HMRC for VAT incurred of £44.7m (£39.0m, 2022/23)

19. Cash and cash equivalents

'Cash and cash equivalents' consist of cash in hand, balances with banks, and investments that mature in less than three months from the date of acquisition. Cash and cash equivalents in the cash flow statement comprise the following:

£000	2023/24	2022/23
Banks and financial Institutions	**11,091**	**(3,856)**
London Treasury Liquidity Fund LP	**473**	**198,455**
Total	**11,564**	**194,599**

In 2023/24 all the Group's investments were placed with the London Treasury Liquidity Fund LP. The loan note element of this investment has been classified as a cash equivalent. More information can be found in note 30.

20. Short term creditors

£000	2023/24	2022/23
Trade payables	(98,049)	(105,353)
Accruals	(433,832)	(392,118)
GRNI	(67,846)	(72,731)
Other payables*	(100,269)	(75,367)
MOPAC Group balance	**(699,996)**	**(645,569)**
Intra-group creditor (see Note 6.2)	**(224,806)**	**(197,705)**
MOPAC balance	**(475,190)**	**(447,864)**

*** The other payables balance is mainly made up of payments to central government totalling £97.2m (£72.1m in 2022/23) in respect of Income Tax, National Insurance, Civil Service and Police Pensions payments.**

21. Short term borrowing

This amount represents part of certain loans and liabilities which are due for repayment in 12 months or less.

Due for repayment in 12 months or less (£000)	Note	2023/24	2022/23
Public Works Loan Board		(11,270)	(11,372)
Local authorities		(110,118)	0
PFI liabilities	25.1	(7,433)	(4,569)
Finance lease liabilities	25.1	(34)	(31)
Balance		**(128,855)**	**(15,972)**

22. Third party monies

Fund Name £000s 2023/24	Income	Expenditure	Assets	Liabilities
MOPAC Police Property Act Fund	12,505	7,610	13,055	0
MOPAC Detained Monies Account	17,086	15,327	23,135	0
Metropolitan Police Benevolent Fund	2,251	2,605	3,696	335
Metropolitan Police Commissioner's Fund	61	25	710	5
Metropolitan Police Sports Fund	258	236	353	49
Metropolitan Police Staff Welfare und	24	24	225	1
Metropolitan Police Athletic Association	1,626	1,372	2,033	129
COMETS	109	115	207	10
Total	**33,920**	**27,314**	**43,414**	**529**

Fund Name £000s 2022/23	Income	Expenditure	Assets	Liabilities
MOPAC Police Property Act Fund	776	5,664	12,145	0
MOPAC Detained Monies Account	15,043	12,281	21,375	0
Metropolitan Police Benevolent Fund	2,431	2,605	4,345	352
Metropolitan Police Commissioner's Fund	18	15	738	7
Metropolitan Police Sports Fund	283	254	343	61
Metropolitan Police Staff Welfare und	20	27	226	1
Metropolitan Police Athletic Association	2,186	1,409	2,233	156
COMETS	109	115	207	10

Total	**20,866**	**22,370**	**41,612**	**587**

The MOPAC Group administers funds on behalf of third parties. Money held by the funds is not owned by the Group and is not included in the Balance Sheet. The principal funds are described below. Group staff administer the MOPAC Police Property Act Fund and the MOPAC Detained Monies Account on behalf of the Group and the remaining funds on behalf of their respective governing bodies. Details of the principal funds, together with their income and expenditure for their respective financial years which ended during the 12 months to 31 March 2024 (or, in the case of the Charities, the most recently audited set of accounts) and values at their financial year-end dates, are given above.

MOPAC Police Property Act Fund (MOPAC PPAF)
Regulations under the Police (Property) Act 1897 and its subsequent amending legislation permit police to retain the proceeds from the disposal of property that comes into police possession in connection with a criminal charge (or suspicion of a criminal offence being committed) where the owner has not been ascertained or no court order has been made. The legislation stipulates that the income be used to meet the cost of the storage and sale of the property with any residual funds being used for charitable purposes in accordance with directions of the Deputy Mayor for Policing And Crime. The MOPAC PPAF is used for this purpose.

MOPAC Detained Monies Account (MOPAC DMA)
As stated above, until 31 March 2004 the MOPAC PPAF was used to hold for the time being money that had been detained from persons suspected of criminal activity, such money being retained pending a decision as to its disposal. Since 1 April 2004 detained money has been paid into the MOPAC DMA.

Metropolitan Police Benevolent Fund (MPBF)
The following four charities amalgamated on 29 May 2009, with the agreement of the Charity Commission, to become the Metropolitan Police Benevolent Fund:

- Metropolitan Police Combined Benevolent Fund (MPCBF);
- Metropolitan and City Police Relief Fund (MCPRF);
- Metropolitan Police Widows' and Widowers' Fund (MPWWF);
- Metropolitan Police Convalescent Home Fund (MPCHF).

This registered charity receives monthly contributions from police officers and donations and bequests from members of the public. Financial assistance may be provided by grant or interest-free loan to serving police officers, retired police officers or their dependents considered to be deserving of assistance on account of sickness (whether of themselves or their families) or of injuries received in the discharge of their duties or for other reasons.

Grants to deserving cases among widows and widowers of former police officers are also provided. The cost of a widow's or widower's funeral may be made if the deceased's relatives are unable to afford it.

Part of the contributions deducted from Metropolitan Police Officers pay who support the Metropolitan Police Benevolent Fund are sent to The Police Rehabilitation Centre at Goring-on-Thames which provides residential convalescence facilities to Metropolitan Police officers and to officers from other police forces to help promote a speedy recovery from illness or injury.

Metropolitan Police Commissioner's Fund (MPCF)
This registered charity was established to help promote the efficiency and wellbeing of Metropolitan Police officers and staff. Although this may be achieved in a variety of ways as defined in the governing document, assistance is invariably in the form of a monetary grant to members of the Metropolitan Police or to Metropolitan Police organisations.

Metropolitan Police Sports Fund (MPSF)
This registered charity receives monthly contributions from police officers for sporting, athletic and other recreational activities. The major part of the income is distributed to the four principal sports clubs. Financial assistance is also given to various sports and social clubs.

Metropolitan Police Staff Welfare Fund (MPSWF)
This registered charity provides financial assistance to members and past members of police staff, their families and dependents who are in need. Financial assistance may be provided by grant or interest-free loan.

Metropolitan Police Athletic Association (MPAA)
The MPAA is the umbrella organisation for 40 sporting sections of the Metropolitan Police. Each section is individually run but do receive assistance from the Association for its activities.

Metropolitan Police Sports and Social Association (COMETS)
The Comets (Metropolitan Police Sports and Social Association) have several sporting and social sections. All funds for the Comets are generated from Membership Subscriptions and a Lottery. Membership is open to all Metropolitan Police employees.

Operational responsibilities
MOPAC also holds monies on behalf of third parties arising from its operational responsibilities. The cash amounts, not included in the Balance Sheet, are as follows:

£000	2023/24	2022/23
Proceeds Of Crime Act monies	51,902	54,505
Prisoners' property and lost cash	1,378	3,495
Other	578	851
Total	**53,858**	**58,851**

In addition, MOPAC also holds non cash assets which are not valued in the above table. The prisoners' property and lost cash relates to the total amount held in property stores at 31 March 2024 and has therefore been stated separately from the Police Property Act Fund value.

23. Provisions

23.1 Short term provisions

£000	Third party liabilities	Other provisions	Total
Balance at 1 April 2022	**(13,733)**	**(5,821)**	**(19,554)**
Additional provisions made in 2022/23	(13,291)	(5,305)	(18,596)
Amounts used in 2022/23	13,733	2,407	16,140
Reduction in provisions made in 2022/23	0	0	0
Transfer to/(from) long term	(2,979)	0	(2,979)
Balance at 31 March 2023	**(16,270)**	**(8,719)**	**(24,989)**
Additional provisions made in 2023/24	(13,368)	(16,632)	(30,000)
Amounts used in 2023/24	16,269	5,438	21,707
Reduction in provisions made in 2023/24	0	0	0
Transfer to/(from) long term	(787)	0	(787)
Balance at 31 March 2024	**(14,156)**	**(19,913)**	**(34,069)**

23.2 Long term provisions

£000	Third party liabilities	Other provisions	Total
Balance at 1 April 2022	**(12,474)**	**(4,532)**	**(17,006)**
Additional provisions made in 2022/23	(12,074)	0	(12,074)
Reduction in provisions made in 2022/23	0	0	0
Amounts used in 2022/23	6,790	0	6,790
Transfer to/(from) short term	2,979	0	2,979
Balance at 31 March 2023	**(14,779)**	**(4,532)**	**(19,311)**
Additional provisions made in 2023/24	(12,143)	0	(12,143)
Reduction in provisions made in 2023/24	0	4,532	4,532
Amounts used in 2023/24	13,278	0	13,278
Transfer to/(from) short term	787	0	787
Balance at 31 March 2024	**(12,857)**	**0**	**(12,857)**

MOPAC seeks to make provision for realistic estimates of the future settlement of known liabilities in respect of legal compensation and accident claims that are not covered by insurance. Accordingly a provision has been created for £27.0 million (of which £12.9m is long term). At 31 March 2024 the value of this provision was £31.0 million (of which £14.8m was long term). Over the course of the year agreed claims have been paid from this account totalling £29.5million.

Other provisions total £19.9 million and consist of:

- A provision of £6.4 million in respect of other legal claims;
- A provision of £13.5m in respect of other employee related costs;

24. Long term borrowing

These are loans from the Public Works Loans Board (PWLB). They are raised to support capital expenditure on MOPAC assets, and are analysed below:

£000	2023/24	2022/23
Loans	**(472,950)**	**(479,550)**
Analysis of loans by maturity:		
Between 1 and 2 years	(5,600)	(6,600)
Between 2 and 5 years	(28,800)	(13,000)
Between 5 and 10 years	(80,500)	(77,000)
Over 10 years	(358,050)	(382,950)

25. Long term contractor liability

This liability covers that relating to PFI contracts and finance lease contracts.

£000	2023/24	2022/23
PFI liability	(36,180)	(43,613)
Finance lease liability	(6,039)	(6,073)
Balance at 31 March	**(42,219)**	**(49,686)**

25.1 PFI and finance lease contracts

Analysis of contractor liabilities between short term and long term.

£000	2023/24 PFI liability	2022/23 PFI liability	2023/24 Finance lease liability	2022/23 Finance lease liability
Balance as at 1 April	(48,183)	(54,101)	(6,104)	(6,568)
Net movement in year	4,570	5,918	31	463
Total liability	**(43,613)**	**(48,183)**	**(6,073)**	**(6,105)**
Classified as:				
Short term liability	(7,433)	(4,570)	(33)	(32)
Long term liability	(36,180)	(43,613)	(6,040)	(6,073)

26. Reserves

The reserves of MOPAC have been presented to show a clear distinction between accounting reserves that are unusable and cannot be used to support expenditure and usable reserves.

26.1 Unusable reserves

Movements on unusable reserves - Group and MOPAC 2023/24

£000	Revaluation reserve	Capital adjustment account	Financial Instruments Revaluation Reserve	Accumulated absences account	Police officer pension	Deferred capital receipts	Total
Balance as at 1 April 2023	**(642,841)**	**(1,106,322)**	**0**	**197,705**	**24,342,500**	**(8,750)**	**22,782,292**
Upward revaluation of assets	39,203	0		0	0	0	**39,203**
Difference between fair value and historic cost depreciation	42,766	(42,766)		0	0	0	**0**
Accumulated gains on assets disposed	413	(413)		0	0	0	**0**
Other capital adjustments				0	0	0	**0**
Downward revaluation of assets and impairment losses not charged to the CIES				0	0	0	**0**
Statutory provision for financing capital investment charged against CIES (MRP)		(66,190)		0	0	0	**(66,190)**
Revaluation losses/(gains) on L&B		65,163		0	0	0	**65,163**
Depreciation and impairment		185,846		0	0	0	**185,846**
Amortisation of intangible assets				0	0	0	**0**
Movements in market value of investment property		(80)		0	0	0	**(80)**
Amounts written out on disposal		2,229		0	0	0	**2,229**
Capital grants and contributions credited to CIES applied to capital finance		(53,431)		0	0	0	**(53,431)**
Application of grants from capital grants unapplied account		(7,772)		0	0	0	**(7,772)**
Use of capital receipts reserve		(8,959)		0	0	0	**(8,959)**
Capital expenditure charged against CIES		(12,884)		0	0	0	**(12,884)**
Movement of reserves	0	0	(2,415)	27,101	(144,300)	0	**(119,614)**
Donated assets	0	0		0	0	0	**0**
Transfer of deferred sale proceeds credited as part of the gains/loss on disposal to the CIES	0	0		0	0	8,750	**8,750**
Balance as at 31 March 2024	**(560,459)**	**(1,045,579)**	**(2,415)**	**224,806**	**24,198,200**	**0**	**22,814,553**

Movements on unusable reserves – Group and MOPAC 2022/23						
£000	Revaluation reserve	Capital adjustment account	Accumulated absences account	Police officer pension	Deferred capital receipts	Total
Balance as at 1 April 2022	**(561,550)**	**(1,068,292)**	**213,530**	**39,246,200**	**(17,500)**	**37,812,388**
Upward revaluation of assets	(150,284)	0	0	0	0	**(150,284)**
Difference between fair value and historic cost depreciation	40,171	(40,171)	0	0	0	**0**
Accumulated gains on assets disposed	28,822	(28,822)	0	0	0	**0**
Other capital adjustments	0	0	0	0	0	**0**
Downward revaluation of assets and impairment losses not charged to the CIES	0	0	0	0	0	**0**
Statutory provision for financing capital investment charged against CIES (MRP)	0	(67,365)	0	0	0	**(67,365)**
Revaluation losses/(gains) on L&B	0	132,456	0	0	0	**132,456**
Depreciation and impairment	0	144,067	0	0	0	**144,067**
Amortisation of intangible assets	0	62	0	0	0	**62**
Movements in market value of investment property	0	3,330	0	0	0	**3,330**
Amounts written out on disposal	0	54,133	0	0	0	**54,133**
Capital grants and contributions credited to CIES applied to capital finance	0	(53,161)	0	0	0	**(53,161)**
Application of grants from capital grants unapplied account	0	(11,620)	0	0	0	**(11,620)**
Use of capital receipts reserve	0	(93,431)	0	0	0	**(93,431)**
Capital expenditure charged against CIES	0	(77,508)	0	0	0	**(77,508)**
Movement of reserves	0	0	(15,825)	(14,903,700)	0	**(14,919,525)**
Donated assets	0	0	0	0	0	**0**
Transfer of deferred sale proceeds credited as part of the gains/loss on disposal to the CIES	0	0	0	0	8,750	**8,750**
Balance as at 31 March 2023	**(642,841)**	**(1,106,322)**	**197,705**	**24,342,500**	**(8,750)**	**22,782,292**

Revaluation Reserve

The Revaluation Reserve was created on 1 April 2007 and records the unrealised revaluation gains on land and buildings arising in the year ended 31 March 2024. This amount is also used for accumulated gains which are removed from this account when re-valued assets are sold and also to amortise the gains over the lives of the assets held at 31 March 2024.

Capital Adjustment Account

The Capital Adjustment Account provides a balancing mechanism between the different rates at which assets are depreciated under the Code and are financed by capital sources.

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Reserves Balance from accruing for unused accumulated absences as at 31 March 2024. Statutory arrangements require that the impact on the General Reserves Balance is neutralised by transfers to or from the Account.

These short term accumulated absences are initially recognised in the CPM Accounts for police staff and officers under the direction of the Commissioner. Equivalent liabilities are however recognised in the MOPAC Balance Sheet offsetting the liabilities in the CPM accounts, to reflect the continuing requirement of MOPAC to provide funds from the Police Fund to meet those liabilities as they fall due.

Police Officer Pension Reserve

This reserve reflects the actuarially calculated future cost of providing pensions for both serving and non-serving police officers as well as those already in retirement as stipulated by regulations.

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non current assets but for which cash settlement has yet to take place. Under statutory arrangements, these gains are not treated as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

26.2 Usable capital reserves

£000	Capital Receipts Reserve	Capital Grants Unapplied Account	Total
Balance at 31 March 2022	**0**	**(2,468)**	**(2,468)**
Proceeds of disposals	(93,431)	0	**(93,431)**
Financing of fixed assets	93,431	11,620	**105,051**
Capital grants	0	(11,355)	**(11,355)**
Balance at 31 March 2023	**0**	**(2,203)**	**(2,203)**
Proceeds of disposals	(8,959)	0	**(8,959)**
Financing of fixed assets	8,959	7,772	**16,731**
Capital grants	0	(7,772)	**(7,772)**
Balance at 31 March 2024	**0**	**(2,203)**	**(2,203)**
Net movement for 2022/23	**0**	**265**	**265**
Net movement for 2023/24	**0**	**0**	**0**

Usable capital receipts

The use of capital receipts is regulated by Part 1 of the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. The receipts can only be used to finance capital expenditure or repay debt.

Capital Grants Unapplied

This reserve contains grants monies where no conditions exist or whose conditions have been satisfied and where the related expenditure has not yet been incurred.

26.3 Usable earmarked revenue reserves

During the financial year 2023/24 we undertook a fundamental review of reserves - this involved reviewing each reserve held on the balance sheet and assessing whether it was still required for the original purpose as well as assessing the need for reserves balances for other purposes. The result has been a strategic decision to realign some balances to mitigate a budget pressure in 2023/24 and to allocate some for new purposes. We are presenting our reserves in a format required by the Minister for Policing and the Fire Service.

£000	Balance at 31 March 2022	Transfer to	Transfer from	Balance at 31 March 2023	Transfer to	Transfer from	Balance at 31 March 2024
Supporting OMM and local change	(48,103)	(650)	4,427	(44,326)	(6,205)	16,821	(33,710)
Managing the Budget	(103,779)	0	37,500	(66,279)	0	34,927	(31,352)
Property	(66,937)	(3,500)	8,685	(61,752)	0	12,009	(49,743)
Historical public inquires	(3,487)	0	1,275	(2,212)	0	1,370	(842)
Operational Costs	(108,177)	(20,874)	23,973	(105,078)	(1,688)	49,996	(56,770)
Insurance	(6,680)	0	0	(6,680)	0	6,680	0
Other earmarked (POCA)	(8,901)	(3,347)	896	(11,352)	(9,819)	1,391	(19,780)
Vetting Delays	(249)	0	143	(106)	0	106	0
Specifically funded for third parties	(13,287)	(6)	(72)	(13,365)	(565)	117	(13,813)
Business Group initiatives	(3,651)	0	1,302	(2,349)	0	1,087	(1,262)
Business Rates	(89,300)	0	29,300	(60,000)	0	30,000	(30,000)
Managing Officer FTEs	(23,100)	0	0	(23,100)	0	0	(23,100)
MOPAC	(47,091)	(24,784)	19,752	(52,123)	(17,697)	26,302	(43,518)
Total earmarked reserves	**(522,742)**	**(53,161)**	**127,181**	**(448,722)**	**(35,974)**	**180,806**	**(303,890)**
Emergencies Contingency Fund	(23,093)	0	0	(23,093)	0	0	(23,093)
General revenue reserve	(23,483)	(15,789)	0	(39,272)	(4,265)	0	(43,537)
Total General reserves	**(46,576)**	**(15,789)**	**0**	**(62,365)**	**(4,265)**	**0**	**(66,630)**
Total MOPAC revenue reserves	**(569,318)**	**(68,950)**	**127,181**	**(511,087)**	**(40,239)**	**180,806**	**(370,520)**
National functions	(6,605)	(698)	1,991	(5,312)	(2,288)	1,516	(6,084)
Total National Functions	**(6,605)**	**(698)**	**1,991**	**(5,312)**	**(2,288)**	**1,516**	**(6,084)**
Total Revenue Reserves	**(575,923)**	**(69,648)**	**129,172**	**(516,399)**	**(42,527)**	**182,322**	**(376,604)**

Supporting local change
The Supporting local change reserve is set aside to fund various modernisation programmes in particular estates transformation.

Managing the Budget
Reserve created to **manage budget fluctuations during the year and to smooth the short term impact of funding changes and cost pressure.**

Property related costs
These reserves are accumulated or drawn down to facilitate the MPS estates rationalisation programme. This covers a reserve for dilapidations to fund future expenditure on properties where the leases have expired and a reserve for property related costs which reflect the requirement to provide for the cost of various building related projects as part of our central estates' strategy.

Historical public inquiries
The reserves are to fund the provision of resources to respond to requests for information and other requirements arising from the work of the public inquiries.

Operational costs
This reserve exists to fund a number of specific operational requirements such as investigative coaches where it has been agreed funding would be carried forward to enable the profiling of these costs in future years.

Insurance
This reserve covers insurance costs in line with the insurance strategy. This reserve will cease due to the fact that insurance risks are covered through provisions

POCA
The reserve is used to drive up performance on asset recovery work, crime reduction projects and to fund local crime fighting priorities for the benefit of the community.

Vetting Delays
£1.1m was set aside in 2017/18 to fund the requirement to update the vetting status of existing officers and staff. This reserve will be fully spent by the end of 2024/25.

Business Group Initiatives
This reserve supports the delivery of one-off projects within business groups.

Business Rates
This reserve was set up by the Mayor to fund an additional 1,000 FTEs over 3 years. The final tranche of the reserve will be spent in 2024/25.

Managing Officer FTEs
This reserve was established in 2017/18 following a Management Board decision to work towards a relatively stable trajectory for officer FTEs over the medium term. This reserve will be fully spent by the end of 2024/25.

MOPAC
MOPAC holds a reserve for its own internal budget. This is mainly grant funding that is held to fund specific projects over a number of financial years and which the grant funder permits funds to be carried forward from one year to the next. MOPAC aim to drawn down a managed amount from these reserves each year to fund a variety of commissioned services reflecting the priorities set out in the Mayor's Police and Crime Plan to: provide a better police service for London; tackle violence against women and girls; keep children and young people safe; tackle hate crime and intolerance; and provide a better Criminal Justice Service for London.

Other reserves
The following reserves are also held by MOPAC:

- Reserves specifically funded for third parties; and
- Reserves held on behalf of the National police functions, National Police Chief's Council (NPCC) and National Police Coordination Centre (NPoCC).

26.4 General revenue reserve

MOPAC's policy is to have a General Reserve to meet unforeseen or emergency expenditure that cannot be contained within the budget.

27. Adjustments between accounting basis and funding basis under regulation.

This note identifies the adjustments that are made to the CIES recognised by the Group in the year in accordance with accounting practice in order to determine the resources that are specified by statutory provisions as being available to the Group to meet future capital and revenue expenditure.

The following adjustments are for 2023/24:

Group and MOPAC £000	General Reserves	Capital receipts reserve	Capital Grants Unapplied Account	Unusable reserves
Adjustments to the CIES				
Pension costs (transferred to (or from) the Pension Reserve)	(606,800)	0	0	606,800
Holiday pay (transferred to the accumulated absences reserve	(27,101)	0	0	27,101
Reversal of entries included in the surplus or deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(253,158)	0	0	253,158
Total adjustments to the CIES	**(887,059)**	**0**	**0**	**887,059**
Adjustments between reserves and capital resources				
Transfer of non-current asset sale proceeds from reserves to the capital receipts reserve	209	(209)	0	0
Deferred sale proceeds	0	0	0	0
Statutory provision for the repayment of debt (transfer to Capital Adjustment Account)	66,190	0	0	(66,190)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	12,884	0	0	(12,884)
Total adjustment between reserves and capital resources	**79,283**	**(209)**	**0**	**(79,074)**
Adjustments to capital resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	8,959	0	(8,959)
Application of capital grants to finance capital expenditure	61,203	0	0	(61,203)
Cash payments in relation to deferred capital receipts	0	(8,750)	0	8,750
Total capital financing adjustments	**61,203**	**209**	**0**	**(61,412)**
Total adjustments - MOPAC Group	**(746,573)**	**0**	**0**	**746,573**
Police pensions	751,100			(751,100)
Total - MOPAC	**4,527**	**0**	**0**	**(4,527)**

The following adjustments were made in 2022/23:

Group and MOPAC £000	General Reserves	Capital receipts reserve	Capital Grants Unapplied Account	Unusable reserves
Adjustments to the CIES				
Pension costs (transferred to (or from) the Pension Reserve)	(390,800)	0	0	390,800
Holiday pay (transferred to the accumulated absences reserve	15,825	0	0	(15,825)
Reversal of entries included in the surplus or deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(334,048)	0	0	334,048
Total adjustments to the CIES	**(709,023)**	**0**	**0**	**709,023**
Adjustments between reserves and capital resources				
Transfer of non-current asset sale proceeds from reserves to the capital receipts reserve	84,681	(84,681)	0	0
Deferred sale proceeds	0	0	0	0
Statutory provision for the repayment of debt (transfer to Capital Adjustment Account)	67,365	0	0	(67,365)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	77,508	0	0	(77,508)
Total adjustment between reserves and capital resources	**229,554**	**(84,681)**	**0**	**(144,873)**
Adjustments to capital resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	93,431	0	(93,431)
Application of capital grants to finance capital expenditure	64,516	0	265	(64,781)
Cash payments in relation to deferred capital receipts	0	(8,750)	0	8,750
Total capital financing adjustments	**64,516**	**84,681**	**265**	**(149,462)**
Total adjustments - MOPAC Group	**(414,953)**	**0**	**265**	**414,688**
Police pensions	15,294,500	0	0	(15,294,500)
Total - MOPAC	**14,879,547**	**0**	**265**	**(14,879,812)**

28. Notes to the cash flow statement

28.1 The cash flow for operating activities included interest cash flows:

£000	31 March 2024 Group	31 March 2023 Group	31 March 2024 MOPAC	31 March 2023 MOPAC
Operating activities				
Interest received	(23,701)	(10,842)	(23,701)	(10,842)
Interest paid	15,896	14,328	15,896	14,328
Interest element of finance lease and PFI rental payments	10,571	12,356	10,571	12,356
	2,766	**15,842**	**2,766**	**15,842**

28.2 Adjustments to net surplus or deficit on the provision of services for non-cash movements (Group and MOPAC):

£000	31 March 2024 Group	31 March 2023 Group	31 March 2024 MOPAC	31 March 2023 MOPAC
Depreciation of non-current assets	(185,840)	(144,067)	(185,840)	(144,067)
Impairment and revaluations of non-current assets	(56,505)	(132,456)	(56,505)	(132,456)
Amortisation of intangible assets	(6)	(62)	(6)	(62)
Reversal of pension service costs and interest	(606,800)	(390,800)	144,300	14,903,700
(Increase)/decrease in impairment for provision for bad debts	184	(59)	184	(59)
(Increase)/decrease in creditors	(54,427)	(35,954)	(54,427)	(35,954)
Increase/(decrease) in debtors	11,102	43,472	11,102	43,472
Increase/(decrease) in inventories	958	146	958	146
Carrying amount of property, plant and equipment, investment property and intangible assets sold	(10,887)	(54,133)	(10,887)	(54,133)
Other non-cash items	(7,334)	(15,476)	(7,334)	(15,476)
	(909,555)	**(729,389)**	**(158,455)**	**14,565,111**

28.3 Adjustments for items in the net surplus or deficit on the provision of services that are investing or financing activities:

£000	31 March 2024 Group	31 March 2023 Group	31 March 2024 MOPAC	31 March 2023 MOPAC
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	209	84,681	209	84,681
Other items for which the cash effects are investing or financing activities	61,203	64,516	61,203	64,516
Proceeds from short term and long term investments	0	0	0	0
	61,412	**149,197**	**61,412**	**149,197**

28.4 Cash flows from investing activities:

£000	31 March 2024 Group	31 March 2023 Group	31 March 2024 MOPAC	31 March 2023 MOPAC
Investing activities				
Purchase of non-current assets	305,483	265,630	305,483	265,630
Purchase of short term and long term investments	7,249	3,732	7,249	3,732
Proceeds from short term and long term investments	(3,732)	(565)	(3,732)	(565)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(8,959)	(93,431)	(8,959)	(93,431)
Other receipts from investing activities	(61,203)	(64,516)	(61,203)	(64,516)
	238,838	**110,850**	**238,838**	**110,850**

Other receipts from investing activities is comprised mainly of capital grant receipts totalling £61.2m in 2023/24 (£64.5m in 2022/23)

28.5 Cash flows from financing activities:

£000	31 March 2024 Group	31 March 2023 Group	31 March 2024 MOPAC	31 March 2023 MOPAC
Financing activities				
Cash receipts of short and long-term borrowing	(110,000)	(200,000)	(110,000)	(200,000)
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts (principal)	4,601	6,018	4,601	6,018
Repayments of short and long-term borrowing	11,371	3,742	11,371	3,742
	(94,028)	**(190,240)**	**(94,028)**	**(190,240)**

28.6 Reconciliation of liabilities arising from financing activities – Group and MOPAC:

£000	Opening Balance 1 April 2023	Financing cash flows	Acquisition	Other non-cash changes	Closing Balance 31 March 2024
Liabilities					
Long term borrowing	(479,550)	0	0	6,600	(472,950)
Short term borrowing	(11,371)	11,371	(110,000)	(11,387)	(121,387)
Lease liabilities	(6,104)	31	0	0	(6,073)
On balance sheet PFI liabilities	(48,183)	4,569	0	0	(43,614)
Total liabilities from financing activities	**(545,208)**	**15,971**	**(110,000)**	**(4,787)**	**(644,024)**

£000	Opening Balance 1 April 2022	Financing cash flows	Acquisition	Other non-cash changes	Closing Balance 31 March 2023
Liabilities					
Long term borrowing	(286,150)	0	(200,000)	6,600	(479,550)
Short term borrowing	(3,742)	3,742	0	(11,371)	(11,371)
Lease liabilities	(6,569)	100	0	365	(6,104)
On balance sheet PFI liabilities	(54,101)	5,918	0	0	(48,183)
Total liabilities from financing activities	**(350,562)**	**9,760**	**(200,000)**	**(4,406)**	**(545,208)**

29. Contingent liabilities

There are no material contingent liabilities to disclose.

30. Financial instruments

The financial instruments recognised by the Group include creditors and debtors, borrowings, bank deposits, loans and investments. The Group has not given any financial guarantees nor does it hold financial instruments, which are either 'held for trading' or any derivatives. The financial instrument balances disclosed in the Balance Sheet are made up of the following classes of financial instruments:

	Non current		Current (within 12 months)	
£000	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Financial Assets:				
Investments – amortised cost	0	3,732	0	0
Investments – Fair value through Other Comprehensive Expenditure	9,664	0	0	0
Debtors and cash (including cash equivalents) – amortised cost	0	0	175,171	318,783
Total financial assets	**9,664**	**3,732**	**175,171**	**318,783**
Financial Liabilities: Amortised cost				
Borrowings	(472,950)	(479,550)	(121,388)	(11,371)
PFI and finance lease liabilities	(42,219)	(49,686)	(7,467)	(4,601)
Creditors	0	0	(588,486)	(549,050)
Total financial liabilities	**(515,169)**	**(529,236)**	**(687,341)**	**(565,022)**

London Treasury Liquidity Fund
At 31 March 2024, all the Group's investments are placed with the London Treasury Liquidity Fund LP which then places the underlying investments on the Group's behalf. This is made up of two elements;

- The loan note element totalling £0.5m which has been classified as a cash equivalent and measured at amortised cost:
- The core commitment element totalling £9.7m has been classified and designated at fair value through other comprehensive income. This includes an unrealised gain in the year of £2.4m which is held in the Financial Instruments Revaluation Reserve.

Other Financial Assets and Liabilities
Other financial liabilities (represented by loans, receivables and payables) are carried in the Balance Sheet for the Group at amortised cost.

The gains and losses recognised in the CIES in relation to financial instruments are made up as follows

£000	2023/24	2022/23
Expenses		
Interest expense: financial assets at amortised cost	26,467	26,684
Total expense in (surplus)/deficit on the provision of services	**26,467**	**26,684**
Income		
Interest income: financial liabilities at amortised cost	(23,701)	(10,842)
Total income in surplus on the provision of services	**(23,701)**	**(10,842)**
Net (gain)/loss for the year	**2,766**	**15,842**

£000	2023/24 Carrying amount	Fair value	2022/23 Carrying amount	Fair value
Financial liabilities				
Borrowings - (Public Works Loan Board)	484,220	387,553	490,921	411,390
Borrowings – (Temporary)	110,118	110,118	0	0
PFI liabilities	43,613	45,773	48,182	51,845
Creditors	558,486	558,486	549,050	549,050
Financial Assets				
Investments	9,664	9,664	3,732	3,732
Debtors	175,171	175,171	318,783	318,783

The fair value of the PWLB borrowing is lower than the carrying amount because the Group's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans at the Balance Sheet date. This shows a notional future gain as at 31 March 2024 arising from a commitment to pay interest below current market rates.

The fair value of the PFI liabilities is higher than the carrying amount because the Group's liabilities are based on interest rates which are higher than the PWLB new loan rates at the Balance Sheet date. This shows a notional future loss as at 31 March 2024 arising from a commitment to pay interest above current market rates.

Short term creditors and debtors are carried at cost as this is a fair approximation of their value. Investments are carried at fair value on the balance sheet.

The fair value hierarchy of financial liabilities that are not measured at fair value is set out below:

Recurring Fair Value Measurements Using: £000	31 March 2024 Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial liabilities				
Borrowings				
Borrowings-(Public Works Loan Board)	0	387,533	0	**387,553**
Other long term liabilities				
PFI liabilities	0	0	45,773	**45,733**
Total	**0**	**387,553**	**45,773**	**433,326**

The fair value for financial liabilities that are not measured at fair value included in levels 2 and 3 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate.

The fair value for financial assets and financial liabilities that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions.

Financial Assets	Financial Liabilities
Where an instrument will mature in the next 12 months, the fair value is taken to be the carrying value.	No early repayment is recognised
The fair value of the core commitment element of the investment with the London Treasury Liquidity Fund LP is taken to be the carrying value.	Estimated ranges of interest rates at 31 March 2024 of 3.68% to 4.44% for PWLB loans payable based on PWLB loans payable based on PWLB new loan rates.
The fair value of trade and other receivables is taken to be the invoiced or billed amount.	Estimated ranges of interest rates at 31 March 2024 of 4.90% to 5.01% for PFI liabilities based on PWLB new loan rates.
	The fair value of trade and other payables is taken to be the invoiced or billed amount

30.1 Nature and extent of risks arising from financial instruments

Risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Day to day risk management is carried out under a shared service arrangement by the GLA under the policy approved by the MOPAC Group and set out in the annual MOPAC Treasury Management Strategy. From 1st April 2023 the London Treasury Liquidity Fund (LTLF) managed all MOPAC investments to generate financial and risk reduction benefits. The Group's activities expose it to a variety of financial risks:

- **Credit risk** – the possibility that other parties might fail to pay amounts due to the Group;
- **Liquidity risk** – the possibility that the Group might not have funds available to meet its commitments to make payments to its suppliers and creditors;
- **Interest rates risk** - Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates;
- **Foreign exchange risk -** Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group does not have any such instruments.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Group's customers. MOPAC's Treasury Management Strategy is administered and managed by the London Treasury Team.

Credit risk management practices

Credit risk arises from deposits with financial institutions, as well as credit exposure to the Group's customers. MOPAC's Treasury Management Strategy is administered and managed by the London Treasury Team. Credit ratings form the backbone of the investment policy for selecting institutions with which the London Treasury Team invests surplus funds on MOPAC's behalf, based on knowledge and understanding of the risks involved. Although no combination of ratings can be viewed as fail-safe, the credit criteria for 2023/24 were based on Fitch, Moody's and Standard and Poor's suite of ratings, supported by broader market information. Relevant changes in counterparties' credit standing are reviewed daily, with updates provided by the London Treasury Team's treasury advisors. Where counterparties' credit standings are downgraded, the relevant investment limits are reduced with immediate effect or, where minimum criteria fail to be met, further investment is suspended. Maximum limits for principal invested with each counterparty are reviewed regularly with reference to relative risk and the Group's cash flow requirements. All the Group's investments are sterling denominated.

At 31 March 2024, the Group's underlying investments and cash were placed with institutions with at least a BBB+ credit rating. Thus, it has been judged that these investments can be categorised as low credit risk. An assessment of the 12 month expected losses for these investments has been carried out by comparing the credit rating of the investment against historic default tables and the resulting expected impairment loss is not significant and therefore a loss has not been recognised in the accounts.

When considering the expected credit loss in relation to trade debtors, the Group has applied the simplified approach therefore the loss allowance recognised in the accounts relates to lifetime expected credit losses. Due to the fact that these receivables have common risk characteristics, a collective assessment of credit risk has been made, using a provision matrix to calculate expected credit losses based on the number of days that the debt is past due. The expected credit loss in relation to trade debtors at 31 March 2024 is £257k (31 March 2023, £441k). This is the only loss allowance recognised in the accounts.

The DMPC has the delegated authority to approve all debt write off that are considered irrecoverable. Debts are not written off until all available recovery options have been exhausted.

	Credit risk rating	**Gross Carrying Amount at 31 March 2024**
		£000
		A
12 month expected credit losses	AAA	4,742
	AA-	2,313
	A+	843
	A	819
	A-	19
	BBB+	374
	Strategic Investments	1,027
Simplified approach	Customers (general debtors)	43,716

Liquidity risk

As the Group has ready access to borrowings from the PWLB, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The Group can also access short term funding from within the GLA Group. As at 31 March 2024 the group had £110m of temporary borrowing from the GLA (31 March 2023, nil). The Group undertook no new PWLB borrowing during 2023/24 with fixed rate loans. The maturity analysis of all the PWLB borrowings is as per Notes 23 and 26. Additionally, to cover short-term commitments, the Group has the ability to draw down from its balances with the LTLF on request. All trade creditors and other payable are due to be paid by the Group in less than one year.

Interest rate risk

The Group is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments, however in the short term extreme movements are deemed unlikely. Movements in interest rates have a complex effect on the Group. For instance, a rise in interest rates would have the following effects:

- borrowings at fixed rates – the fair value of the liabilities will fall;
- borrowings at variable rate - the interest expenditure debited to the CIES will rise;
- investments at variable rates - the interest income credited to the CIES will rise;
- investments at fixed rates - the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the CIES. However, changes in interest receivable on variable rate investments will be posted to the CIES and will affect the General Reserves Balance.

Police officer pension fund

1. Police officer pension fund revenue account

The Commissioner is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. This statement shows income and expenditure for the three Police Pension Schemes for 2023/24 and 2022/23. The statement does not form part of the CPM or the MOPAC Group Statement of Accounts.

£000	Notes	2023/24	2022/23
Contributions receivable			
• Employer contributions	4.1	(432,252)	(405,778)
• Additional income	4.3	(12,516)	(7,626)
Transfers in from other schemes	4.2	(3,383)	(4,477)
Officers' contributions	4.4	(187,343)	(176,055)
Net Income		**(635,494)**	**(593,936)**
Benefits payable			
Pensions paid		841,122	759,918
Lump sum payments		125,506	158,582
Lump sum death payments		3,770	2,471
Other payments	4.6	3,064	1,854
Transfers out to other schemes	4.2	146	702
Net expenditure		**973,608**	**923,527**
Net amount payable for the year		**338,114**	**329,591**
Employer additional funding	4.5	**(338,114)**	**(329,591)**
(Surplus)/deficit on fund		**0**	**0**

2. Police officer pension fund asset statement

This statement shows the assets and liabilities of the three Police Pension Schemes which does not form part of the CPM or Group Statement of Accounts.

£000	2023/24	2022/23
Current Assets		
Funding to Meet Deficit due from the CPM	0	0
Net Current Assets	0	0
Current Liabilities		
Unpaid Pensions Benefits	0	0
Net Current Liabilities	0	0
Total	**0**	**0**

3. Notes to the police officer pension fund account

The Police Officer Pension Fund includes the accounting transactions of the Police Pension Scheme 2015 which, came into effect on 1 April 2015 under the Police Pensions Regulations 2015.

Prior to 1st April 2022, it also combined the accounting transactions of the following two earlier schemes. On 1 April 2022, all existing member in these two schemes moved to the 2015 scheme:

- The New Police Pension Scheme, which was created by the Home Office under the Police Pensions Regulations 2007;
- The Police Pension Scheme, which was set up in 1987.

The Police Officer Pension Fund which is managed by the MOPAC Group has been set up for the specific purpose of administering the collection of contributions, the payment of pensions and payment or refund to central government for the balance outstanding for each year. The fund does not hold any investment assets, nor does it reflect the liabilities of the Schemes to pay present and future pensioners. The fund will be paid sufficient monies from the Home Office to cover the deficit in year.

These Accounts have been prepared using Pension SORP and the Code principles adopted for the MOPAC statements.

Details of the accounting policies can be seen on page 14 to 23. MOPAC provides the accounting and banking systems through which the CPM administers the Fund. Details of the three schemes' actuarial report and the cost of pensions can be seen in Note 12.

These Accounts will be audited by Grant Thornton UK LLP.

4. Police Pension Fund - Revenue account notes

4.1 Employer contributions

Employer contributions are calculated at 31% of police officer pensionable pay from 1 April 2019, an increase from 21.3% previously. This increase was a result of an actuarial valuation of the police pension scheme. The employer contribution is set nationally by the Home Office and the scheme is subject to actuarial valuation every four years.

4.2 Transfers

These represent lump sums transferred to and from other pension schemes depending on whether the police officer was transferring in or transferring out their pension.

4.3 Additional income

These consist of CPM contributions for ill health retirements, 30 years plus scheme contributions and refund of former commissioners' and widows' pensions.

4.4 Officers' contributions

Members of the new 2015 police pension scheme make contributions of between 12.44% and 13.78% of pensionable pay.

4.5 Employer additional funding

This sum represents additional funding required to provide for payment to pensioners. Including the funds received by the Group as part of the settlement of the additional commutation liability, the actual shortfall receipts for the year 2023/24 amounted to £338.1 million. The cash funding received by the group in 2023/24 was £359.4 million. This consists of the additional funding of £89.6 million in respect of 2022/23 and a statutory transfer from the police fund of a further £269.8 million in respect of 2023/24. The remaining 2023/24 shortfall of £68.4 million is to be received from the Home Office in 2023/24.

4.6 Other payments

These consist of contribution refunds and lump sum death benefits.

5. Related party transactions

As previously stated the Commissioner is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. During the year all payments and receipts are made to and from MOPAC Police Fund. As such the CPM and MOPAC are the only related parties to the fund, thus all the transactions shown on the revenue statement have been processed through MOPAC.

6. Additional voluntary pension contributions

Additional pension contributions (e.g. added pension/years) made by police officers amounted to £22,894 for the PPS scheme, £34,290 for the NPPS scheme and £182,204 for the 2015 scheme.

7. Members of the scheme

The MPS also administers the Pension Fund on behalf of members of Her Majesty's Inspectorate of Constabulary (HMIC). There are no active HMIC members currently contributing to the Police Pension scheme, there are 22 HMIC pensioners and 4 dependent pensioners.

Glossary of terms

Accruals

The accounting treatment, where income and expenditure is recorded when it is earned or incurred not when the money is paid or received.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories:

- Usable Reserves. These are reserves that the Group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. For instance the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt;

- Unusable Reserves. These reserves cannot be used by the Group to provide services. For instance reserves that hold unrealised gains and losses (such as the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the MIRS line 'Adjustments between Accounting Basis and Funding Basis under Regulations'.

Budget

An estimate of costs, revenues and resources over a specified period, reflecting a reading of future financial conditions and priorities.

Capital expenditure

Expenditure on the acquisition, creation or enhancement of fixed assets.

Cash equivalent

A financial deposit placed with a bank, building society or other local authority for a term of no longer than three months.

Capital receipts

Money obtained on the sale of a capital asset. Capital receipts can only be used for capital purposes, such as funding capital expenditure or repaying debt.

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from grants and taxation raised via the GLA precept on the Corporation of London and London Boroughs. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the MIRS.

Corporate costs

This consists of those activities and costs that provide the infrastructure that allows services to be provided, whether by the CPM or MOPAC, and the information that is required for public accountability. Activities that relate to the provision of services, even indirectly, are overheads on those services and include bank charges, auditors' fees and the cost of the Group as well as the corporate activities of Head Office departments.

Commissioner of Police of the Metropolis (CPM)

The CPM is a separate corporation sole which was established on 16 January 2012 under the Police Reform and Social Responsibility Act 2011.

Credit arrangements

An arrangement other than borrowing where the use of a capital asset is acquired and paid for over a period of more than one year. The main types of credit arrangements are PFI agreements and finance leases of buildings, land and equipment.

Creditors

Individuals or organisations to which the Group owes money at the end of the financial year.

Debtors

Individuals or organisations that owe the Group money at the end of the financial year.

Democratic core costs

This includes all aspects of MOPAC activities in a democratic capacity, including corporate, programme and service policy making and more general activities relating to governance and the representation of local interests. To give MOPAC maximum flexibility in reflecting its own constitutional arrangements, there are no recommended subdivisions of service.

Employee costs

The salaries and wages of police officers, police staff and MOPAC staff together with National Insurance, pension and all other pay-related allowances. Training expenses and professional fees are also included.

Finance lease

A finance lease normally involves payment by a lessee to a lessor of the full cost of the asset, together with a return on the finance provided by the lessor. The lessee has substantially all the risks and rewards associated with ownership of an asset, other than legal title.

Government grants

Part of the cost of the service is paid for by central government from its own tax income. Grant income is partly received through the S102 payments made by the GLA. In addition, the Home Office pays specific grants direct to the Group towards both revenue and capital expenditure.

Group

The term Group refers to Mayor's Office for Policing And Crime (MOPAC) and Commissioner of Police of the Metropolis (CPM).

Long term debtors

Amounts due to the Group where payment is to be made by instalments over a pre-determined period of time in excess of one year.

Mayor’s Office for Policing And Crime (MOPAC)

MOPAC is a separate corporation sole, which was established on 16 January 2012 under the Police Reform and Social Responsibility Act 2011.

Minimum Revenue Provision

The prudent amount that the Group is statutorily required to set aside from revenue funds to meet the repayment of borrowing undertaken to support capital investment.

Non distributed costs

This consists of charges for police officers and police staff early retirements and any depreciation and impairment losses chargeable to non-operational properties.

National Police Chiefs’ Council (NPCC)

The NPCC brings police forces in the UK together to help coordinate operations, reform, improve and provide value for money.

National Police Coordination Centre (NPoCC)

NPoCC is responsible for coordinating the deployment of officers and staff from across the UK policing to support forces during large scale events, operations and in times of national crisis.

Operating lease

An operating lease involves the lessee paying a rental for the hire of an asset for a period of time that is substantially less than its useful economic life. The lessor retains most of the risks and rewards of ownership.

PCSPS

The Principal Civil Service Pension Scheme is the scheme used to provide pension benefits to police staff.

Provision

An amount set aside to provide for a liability which is likely to be incurred but the exact amount and the date on which it will arise is uncertain.

Revenue expenditure

The operating costs incurred by the organisation during the financial year in providing its day to day services. Distinct from *capital expenditure* on projects which benefit the organisation over a period of more than one financial year.

Revenue reserves

Accumulated sums that are maintained either earmarked for specific future costs (e.g. pensions) or generally held to meet unforeseen or emergency expenditure (e.g. General Reserve).

Special service agreements

Policing the Airports, Houses of Lords and Commons, Palace of Westminster are the main items included under this heading.