

<b>Committee(s):</b> Resources, Risks & Estates Committee Police Authority Board	<b>Dated:</b> 10 February 2025 12 February 2025
<b>Subject:</b> Revenue and Capital Budget 2025/26	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	1
<b>Does this proposal require extra revenue and/or capital spending?</b>	N/A
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b> Commissioner of Police	<b>RREC – For Information PAB - For Decision</b>
<b>Report author:</b> Mark Paddon, Deputy Chief Finance Officer Steven Reynolds, Deputy Chief Finance Officer Alistair Cook, Chief Finance Officer	

### Summary

1. This report presents the revenue and capital budget for 25/26 following the Provisional Government Settlement being announced on 17 December 2024. Confirmation of the final Police Settlement is not expected until the end of January 2025 and a verbal update will be provided of any changes impacting the proposed 25/26 budget.
2. The following paper provides details of the provisional police settlement, local funding via the Business Rates Premium (BRP), mitigations to achieve a balanced budget, income and funding, capital requirements and use of reserves.
3. Overall, the budget provides for a core establishment of 954 full time equivalent (FTE) Police Officers (plus 30 Regional Organised Crime Unit posts), 539 (FTE) Police Staff and 261.5 temporary funded roles (£163.3m) and non-pay (£69m) budgets totalling £232.3 These resources are provided to deliver Policing Plan priorities for both territorial policing and national lead functions, in areas such as fraud and cybercrime, with strong support for victim care.

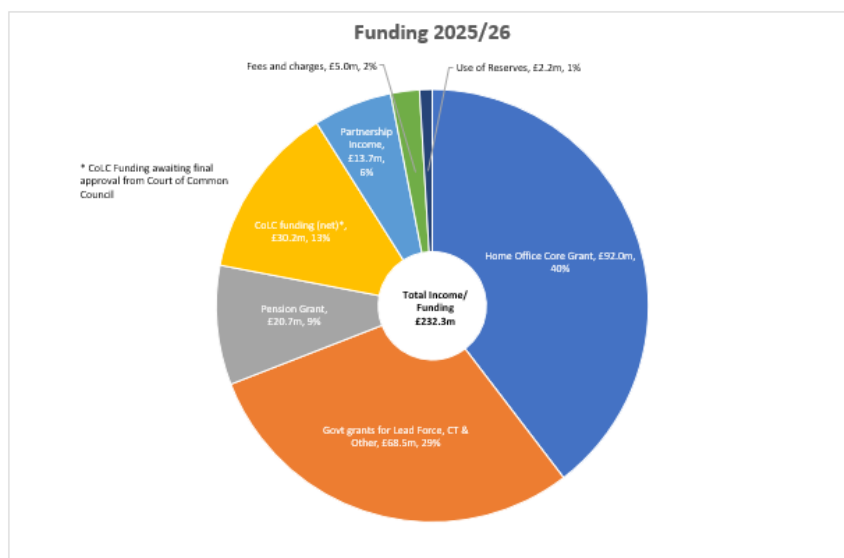
Table 1 provides a summary of the 24/25 and the proposed revenue budget for 25/26.

**Table 1 – Budget Summary**

<b>Table 1 Summary Revenue Budget 24/25 and 25/26</b>	<b>24/25 Latest Budget £m</b>	<b>25/26 Projected Budget £m</b>	<b>24/25 vs 25/26 Budget £m</b>
Expenditure	208.5	232.3	23.8
Income	(94.4)	(110.1)	(15.7)
Core Funding (Chief Officer cash limited budget)	(114.1)	(122.2)	(8.1)
Income & Core Funding (net of capital charges)	(208.5)	(232.3)	(23.8)
(Surplus)/Deficit	-	-	-

4. The 25/26 budget shows an increase of £23.8m compared to 24/25 which is mainly due to an increase in funding and growth attributable to National Lead Force activities (£15.5m) and additional core Government Grant income of £8.1m, including a net increase in Business Rates Premium (BRP) allocation (agreed in 23/24) of £1.5m, of which £1m is ringfenced for Secure City run costs. A full breakdown of funding is shown in figure 1 below.

**Figure 1: 2025/26 Funding Breakdown**



5. Whilst the 25/26 budget is shown as balanced, the latest Medium Term Financial (MTFP), as presented to members of the Resource, Risks and Estates Committee in November 2024 and Police Authority Board (PAB) in December 2024, identified £7.6m of additional inflationary and other pressures impacting the 24/25 budget, which were fully mitigated. Since this time there have been a number of new pressures impacting the 25/26 budget including changes to National Insurance thresholds and employer contribution rate, a 1% higher than anticipated 24/25 staff pay award, implementation of a London Allowance increase for officers and 0.8% increase in 25/26 pay award assumptions due to assumed forward funding of the 25/26 pay award within the

provisional settlement adding £5.8m of further pressures to the 25/26 budget. In addition, the proposed budget includes best estimates for the reprogramming of the Fraud and Cyber Crime Reporting and Analysis Service (FCCRAS) implementation, which has identified an initial budget gap of £1.5m which is likely to require further recourse to internal loan funding. These pressures are summarised in Table 2 below.

**Table 2 – Budget Pressures**

<b>25/26 Budget Pressures (Revenue)</b>	<b>2025/26 £000</b>
Officer Pay Inflation	3,000
Staff Pay Inflation	1,500
Loss of TfL Funding for Roads Policing	1,400
Non-Pay inflation	1,200
Other	500
<b>Sub-Total Budget Pressures from December MTFP (Appendix 4)</b>	<b>7,600</b>
National Insurance Increase	2,000
1% Higher staff pay award from 24/25	400
London Allowance Increase	1,500
Forward funding of 25/26 pay award 2.8% compared to 2%	400
Neighbourhood Policing Uplift	700
Overtime for events and protest work demands (NICC related)	800
Estimated Net FCCRAS budget shortfall	1,500
<b>Sub-Total New Budget Pressures</b>	<b>7,300</b>
<b>Total Pressures</b>	<b>14,900</b>

- The MTFP, which was presented to Members prior to the 24/25 Police Settlement being communicated assumed that Home Office funding would increase by £2.1m the subsequent Home Office announcement has provided for £4.5m more funding than expected (para 11), While the 25/26 provisional settlement has provided £6.5m additional funding over 24/25, much of this was to cover the increased costs of the 24/25 pay award, employers National Insurance contributions and an uplift in Neighbourhood police officers, which has left a residual gap of £1.3m per annum in the Police budget. Of this £0.3m has been mitigated through a budget reprioritisation, but £1m remains unmitigated and an unidentified saving line has been included in the 25/26 budget. To eliminate this cost pressure extra mitigations will be required, with options including a further increase to the Business Rate Premium, subject to Court of Common Council approval, and/or the identification of other core savings, although options for savings are very limited. Separate to this, the budget also includes a £1.5m unidentified savings line in respect of net estimated FCCRAS revenue cost pressures (para 18 refers). This is due to the revised delivery approach and will likely require recourse to additional internal loan funding subject to any programme savings being identified during 25/26.

7. In balancing its finances over the last two years, CoLP has delivered major savings, with cumulative, budgeted savings over the last five years of £19.9m (16.9% of the 2024/25 Net Revenue Budget) - including pay and overtime reductions, non-pay savings and increased charges for funded work. The options for CoLP to make further savings and achieve a balanced budget in 25/26 are, therefore, limited by the continued requirement to maintain officer numbers at national head count levels, contractual obligations and the level of savings delivered in recent years, without impacting operational policing. Table 3 below summaries the mitigations which have been included in the proposed 25/26 budget, including use of a £1.4m Fraud and Cyber Crime Reporting and Analysis (FCCRAS) provision established in 23/24, a £0.3m increase in the contribution from funded work towards inflation and overheads, growth in funded activities of £1.2m to mitigate partnership funding loss, further pay and non-pay savings of £0.7m and a £1.5m allocation from the 23/24 Business Rates Premium (BRP) increase.

**Table 3 – 2025/26 Budget Mitigations (Updated for Provisional Settlement)**

2025/26 Budget Mitigations	2025/26 £000
Increase in Home Office Core Funding	6,600
Increase in the Business Rate Premium (2024 allocation)	1,500
Use of residual FCCRAS provision	1,400
Higher proportion of more junior PCs	200
Growth in 'Funded work' mitigating loss of partnership funding	1,200
Increased recovery of overhead from 'Funded work'	300
Further Non pay savings	700
Adjustment for phasing of staff recruitment to full establishment	500
Unidentified Core Saving	1,000
Unidentified Savings/funding solution for revised FCCRAS delivery approach	1,500
<b>Total</b>	<b>14,900</b>

### Capital Programme 2025/26

8. A summary of forecast capital expenditure and funding for 2021/22 to 2026/27 is shown in table 4 below. This shows a proposed capital programme for 2025/26 of £13.065m, comprising £7.000m on FCCRAS, £2.447m on projects which commenced in prior years, £0.280m for new prioritised projects commencing in 2025/26 and £0.838m remaining uncommitted/available for other new projects. All new projects will be subject to business case approvals, supported by assessments on deliverability and affordability. The 2025/26 capital programme also provides £0.890m for cyclical replacement, £1.000m for Future Police Estates Programme (FPEP) technological replacement, and £0.610m for contract assessment, continuous improvement and feasibility work. The proposed capital programme is broken down and further explained in paragraphs 39 to 61 of this report.

**Table 4 – CoLP Capital Programme**

CoLP Capital Programme	21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	26/27 £000	Total £000
<b>Projects:</b>							
FCCRAS	3,970	5,392	12,396	7,780	7,500	-	37,038
Other ongoing projects	2,960	1,194	708	1,768	2,447	422	9,499
Proposed new projects 2025/26	-	-	-	-	280	238	518
Remaining uncommitted funds	-	-	-	391	838	1,290	2,519
<b>Standing Items:</b>							
Cyclical Replacement	1,000	545	872	2,358	890	750	6,415
FPEP tech repayment	-	-	-	-	1,000	1,100	2,000
Contract assessment	-	-	-	-	100	100	200
Continuous improvement	-	-	-	-	310	1,000	1,310
Feasibility	-	-	-	-	200	200	400
<b>TOTAL EXPENDITURE</b>	<b>7,930</b>	<b>7,131</b>	<b>13,976</b>	<b>12,297</b>	<b>13,565</b>	<b>5,000</b>	<b>59,899</b>
<b>Funding:</b>							
City Fund loan (FCCRAS)	-	-	-	3,017	3,500	-	6,517
City Fund loan (other projects)	2,941	1,401	(137)	595	1,065	-	5,865
Home Office (FCCRAS)	3,970	3,000	11,200	2,804	4,000	-	24,974
City Fund	-	110	174	-	-	-	284
City ULEZ loan	1,000	-	-	-	-	-	1,000
POCA	19	38	7	881	-	-	945
Direct revenue financing	-	2,582	2,732	5,000	5,000	5,000	20,314
<b>TOTAL FUNDING</b>	<b>7,930</b>	<b>7,131</b>	<b>13,976</b>	<b>12,297</b>	<b>13,565</b>	<b>5,000</b>	<b>59,899</b>

9. The table also shows a forecast outturn for 2024/25 of £12.297m which is explained in a third quarter (Q3) budget monitoring report on this agenda.

### Recommendations

Members of RREC are asked to:

Note the report and:

- the 2025/26 City of London Police (CoLP) Revenue Budget; and
- the 2025/26 CoLP Capital Programme

Members of the Police Authority Board are asked to approve:

- the 2025/26 CoLP Revenue Budget; and
- the 2025/26 CoLP Capital Programme

## **Main Report**

### **Relevance to the Policing Plan**

1. The primary purpose of the development of the budget and Medium-Term Financial Plan (MTFP) is to direct resources to deliver the objectives set out in the Force's Policing Plan:
  - To keep those who live, work and visit the City safe and feeling safe
  - To protect the UK from the threat of economic and cybercrime
  - To put the victim at the heart of everything that we do
2. The development of the 2025/26 budget is focused on the Policing Plan, building on the 2024/25 business planning process, to ensure that finite resources are allocated to enable delivery of the above key objectives.
3. The Force's Income Strategy, introduced in 2019 and refreshed in 2023/24, was designed to assist in the delivery of a sustainable budget going forward through seeking full cost recovery from funded units and commercial / non-core / change activity wherever possible. In the 25/26 budget additional income of £4.45m through recharging of costs has been included as part of a package of measures to close the budget gap, noting the historically cash flat nature of several National Lead Force grants and agreement by the Home Office to increase funding for overheads by £3.5m for 'funded' work in 2024/25. The affordability and sustained resourcing of funded/non-core activities will be dependent on securing this uplift in funding which is a key risk to the delivery of the Policing Plan. Work will continue in 2025/26 to drive income recovery from funded work through engagement with funders to ensure deliverables are commensurate with the financial resources being made available.

### **National Context, Police Funding Settlement and Core Funding**

4. The Force continues to operate in an environment of considerable uncertainty and financial challenge. While the 24/25 budget was balanced by a combination of increased local funding from a reset of the Business Rates Premium allocation and additional City of London Police (CoLP) mitigations. Since then, CoLP has experienced or forecast a range of new pressures which will impact 25/26 budget setting, which includes:
  - Pay and non-pay inflation in 24/25 being significantly above assumptions – creating £7.6m of pressure for 25/26 and future years.
  - a £1.5m increase in pay costs due to an increase in the London Allowance for officers with effect from 1 April 2025.
  - The 24/25 pay award for staff exceeding budget expectations by 1% leading to a downstream cost pressure of £0.4m per annum.
  - Increasing pressure from national events, protest activities linked to the City, as a National and International Capital City impacting overtime costs £0.8m.
  - An increase in employer National Insurance Contributions, creating a cost pressure of £2m.

## Police Funding Settlement

5. On 17th December 2024 the Home Office announced the provisional police funding settlement. Table 6 provides a line by line breakdown of the provisional settlement compared to 24/25. The key points are :

- Police Uplift Programme (PUP) ringfence – a £0.5m reduction in the Police Uplift funding subject to ringfencing which puts £2.6m funding at risk (vs £3.1m in 24/25).
- Additional recruitment top up grant – City's officer uplift target was increased in 24/25 by 10 (from 986 to 996 headcount), with £0.5m additional funding being provided (which will be fully offset by additional costs). As in 2024/25 a key concern remains that the Home Office settlement continues to level risk to police finances through the ringfencing of core funding which is subject to maintaining officer uplift targets. The Home Office have confirmed that performance against the 996 target will be measured on 31 September and 31 March. Any shortfall against the maintenance level of 996 will be subject to £40,000 per officer being withheld from the Uplift grant, up to a maximum tolerance of 30 officers; this means that if CoLP were to miss the uplift target by 30 at both checkpoints, the entire £2.5m grant would be lost.
- Pay award grant – CoLP received extra funding during 24/25 of £1.2m for part-year effect of the 2023 officer pay award (4.75%). It is assumed that the £2.1m full year effect has been rolled into core grant for 24/25, but it is not clear what has been included in the 25/26 Provisional Settlement in relation to the 2025 pay award. The allocation of this grant is based on funding formula shares and so it does not provide for the increased costs of National or funded resourcing. With the latter provided for via a Home Office top slice to national pay award funding and subject to separate grant claim arrangements.
- National Insurance grant – CoLP has received a £1.5m National Insurance impact grant to compensate the Force for the additional employer contribution costs from 1 April 2025. This is to recognise an increase to the employer contribution rate from 13.8% to 15% and lowering of the threshold. The impact of the NI increase across CoLP's core and funded work is estimated to be £2m, which may result in a cost pressure if the funded element cannot be recovered through specific grant agreements.
- Precept grant (in lieu of City's inability to precept) - has increased by £1.1m which, as in previous years, is linked to Government providing increased Precept flexibility elsewhere (£14 in 25/26).
- Pensions grant – In 24/25 the Home Office provided an additional £2.4m of funding to CoLP following a decision to increase employer pension contributions for officers from 31% to 35.3% from April 2024, with total annual pension grant funding totalling £3.2m. This has reduced in 25/26 by £0.4m to £2.8m and is due to a top slice for Counter Terrorism activities which are subject to separate grant claim arrangements.
- National & International Capital City (NICC) grant (provided to City and Met Police) - has increased by £1.7m to £6.5m, having remained cash flat at £4.8m since April 2019. The NICC grant was awarded to recognise the cost of additional policing activity arising from events and demonstrations

related to the City's historic location and national and international status, excluding the costs of counter terrorism activity which is subject to a separate specific grant.

- Neighbourhood Policing Uplift In 25/26 the Home Office have committed to provide £100m of additional funding to increase Neighbourhood Policing of which CoLP has been allocated £0.7m. At the time of writing, however, the Home Office have not yet provided clarification on their expectation of officer uplift numbers from this funding.

#### Local Funding – Business Rates Premium

6. In March 2024 the Court of Common Council approved an increase in the Business Rates Premium by £0.4p (in the £) to move to parity in local funding allocations compared to the national average, including the rent-free benefit provided by the Corporation and Home Office Precept Grant. The 24/25 BRP allocation provided for a £1.5m increase in funding for the Police budget in 25/26, from £28m to £29.5m per annum. This excludes:
  - £0.7m Contact Centre funding,
  - £1m of BRP funding for the Police Authority Board; and
  - £1m of BRP funding for the Security City Programme (SCP).
7. However, from a balanced position at April 2024, significant further pressures and risks have arisen, in particular from the Fraud and Cyber Crime Reporting and Analysis Programme, termination of £1.4m per annum TfL funding, higher pay award, allowances and increased operational demands and pressures (Command and Control, data storage, energy and utilities) a residual gap of £1m per annum in the Police budget has emerged.
8. With cumulative savings plans over the last five years of £19.9m (16.9% of Net Revenue Expenditure) the opportunity for further savings without significant operational impacts are limited. It should be noted that precept flexibility for other forces has been set at higher than expected £14 and although the City has moved towards parity in local funding with the national average it remains well below the local funding % for other South East forces (excluding the MPS). Without additional local funding, it is likely that the £1m gap in the Force budget, mainly relating to an unfunded London Allowance cost, the 2024 staff pay award exceeding budgeted expectations and future year pay awards will remain unmitigated without service impacts.
9. Should the Court of Common Council resolve to approve an increase in the BRP for 25/26, any increase in the allocation to the Force above the £1m revenue deficit would enable an acceleration in loan repayment relating to the legacy capital programme and other exceptional borrowing requirements, where recourse to loan funding is necessary and appropriate. However, it is expected that CoLP capital priorities will normally be managed within a £5m per annum for direct revenue financing (DRF) envelope combined with £1m per annum of loan repayment.
10. The estimated annual operating cost of the Secure City Programme (SCP) is expected to be c.£2m which will be funded through a combination of £0.4m existing police resources (through decommissioning the current Information management



system (IMS) and disaster recovery system (DRS), £1m of BRP funding, up to £0.5m of funding from the City's on-street parking reserve and a potential future contribution from City Bridge Foundation (subject to evidencing positive impact on policing the bridges). Following implementation delays it is now expected that the SCP will move to a fully operational phase during 25/26 with responsibility for managing the service transferred to CoLP. All service income and expenditure will be ringfenced in CoLP's revenue budget.

11. The grants awarded as part of the police funding settlement and from the City of London Corporation constitute "core" funding and is held by the Police Authority until the end of the financial year. Historically this has been referred to as the "Chief Officer's Cash Limited Budget" for local authority accounting purposes and provide an in-year Net Budget of £123.2m, an increase of £8.1m from 2024/25, after adjusting for internal loan repayment of £1.0m which is shown as negative financing for Local Authority budgeting. Of the £8.1m increase, £6.6m relates to an increase in Home Office core funding and a £1.5m increase in the baseline BRP funding agreed as part of the 2024 BRP increase.

12. Funding for the Force also includes £110.1m of specific government grants, partnership income, fees and charges and the use of reserves (2024/25: £94.4m). This excludes £29.9m of funding distributed by CoLP to Forces and ROCUs (2024/25 £30.6m) The increase of £15.7m compared to 24/25 is mainly due to:

Government Grant income (note xii) - £16.2m increase mainly due to:

- Fraud & Cyber Crime Reporting & Analysis Service (FCCRAS) £9.9m linked to the revised delivery plan.
- Anti-money Laundering Act (AMLAR) funding for the Domestic Corruption Unit, Fraud Reform programmes and Co-ordination - £4.8m increase.
- An increase in Police Pension deficit funding of £2.1m.
- Less: £0.8m of Hotspot Funding which was part of the £1m provided to Police and Crime Commissioners in 2024/25 to tackle anti-social behaviour.

Partnership Funding (note xiii) – £1.0m decrease, mainly due to:

- The cessation of TfL funding for Roads Policing £1.2m net of a £0.5m increase in contributions from the Force's three funded units: the Insurance Fraud Enforcement Department (IFED), the Dedicated Card and Payment Crime Unit (DCPCU) and the Police Intellectual Property Office (PIPCU) in line with increasing service costs. If this increase in partnership income is not realised it will necessitate a corresponding reduction in Funded Unit pay and non-pay costs.

Fees and Charges (note xiv) - £0.3m increase

- Mainly due to a £0.3m increase in recharging of staff costs to capital (change) projects. This is in accordance with the 2023 Corporate Services Review design principles with roles being aligned to demand drivers and funded workstreams.

13. Subject to the final settlement Table 6 sets out the overall revenue funding envelope which will be available to resource policing services in support of the Policing Plan.

**Table 6 – Funding and Income**

<b>CoLP Funding 2024-25 &amp; 2025-26</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>Change £m (Better)/ Worse</b>
Core grant	(66.3)	(68.8)	(2.5)
National Insurance Impact grant	0.0	(1.5)	(1.5)
Council Tax Freeze Grant	(0.3)	(0.3)	0.0
NICC Grant	(4.8)	(6.5)	(1.7)
Precept Grant	(7.4)	(8.5)	(1.1)
Pensions Grant	(3.2)	(2.8)	0.4
Ringfenced Uplift Funding	(3.1)	(2.6)	0.5
Neighbourhood Policing Uplift	0.0	(0.7)	(0.7)
Uplift Additional Recruitment Top Up	(0.5)	(0.5)	(0.0)
Less £0.2m Council Tax Freeze Grant to City Fund	0.2	0.2	0.0
<b>Sub-Total police grant funding</b>	<b>(85.4)</b>	<b>(92.0)</b>	<b>(6.6)</b>
Business Rates Premium	(28.0)	(29.5)	(1.5)
Corporation - Contact Centre	(0.7)	(0.7)	(0.0)
Secure City	(1.0)	(1.0)	0.0
<b>Sub-Total Business Rates Premium/CoL funding</b>	<b>(29.7)</b>	<b>(31.2)</b>	<b>(1.5)</b>
<b>Total Core Funding</b>	<b>(115.1)</b>	<b>(123.2)</b>	<b>(8.1)</b>
Specific Grants*	(73.0)	(89.2)	(16.2)
Partnership Funding	(14.7)	(13.7)	1.0
Fees and Charges	(4.7)	(5.0)	(0.3)
Use of Reserves	(2.0)	(2.2)	(0.2)
<b>Sub-Total Income and use of Reserves</b>	<b>(94.4)</b>	<b>(110.1)</b>	<b>(15.7)</b>
<b>Gross Funding &amp; Income</b>	<b>(209.5)</b>	<b>(233.3)</b>	<b>(23.8)</b>
<b>Less Capital Financing Charges</b>	<b>1.0</b>	<b>1.0</b>	<b>0.0</b>
<b>Net Funding &amp; Income</b>	<b>(208.5)</b>	<b>(232.3)</b>	<b>(23.8)</b>

\* Excludes £29.9m of National Lead Force grants which are transferred to other forces to support their fraud, cybercrime and anti-money laundering activities.

## Revenue Budget for 2024/25, Projected Outturn and 2025/26 Budget

### Table 7 – Revenue Budgets 2024/25 & 2025/26

CoLP Revenue Budgets	24/25	24/25	24/25	24/25	25/26	25/26 vs 24/25 Budget	Notes
2024/25 and 2025/26	Latest Budget	Actuals	Projected Outturn	Variance vs Budget (Better) / Worse	Projected Budget	(Better) / Worse	
	£'000	Q3 £'000	Q3 £'000	£'000	£'000	£'000	
Police Officer Pay	80,004	58,202	77,854	(2,150)	87,641	7,637	(i)
Police Staff Pay	42,189	25,948	36,871	(5,318)	47,360	5,171	(ii)
Police Officer Overtime	2,655	2,700	3,625	970	3,454	799	(iii)
Police Staff Overtime	231	255	325	94	232	1	
Temp/Agency	1,113	1,217	1,271	158	949	(164)	(iv)
Other Employee Related Expenditure	2,930	1,543	2,675	(255)	3,039	109	
Pension Deficit	18,600	0	19,500	900	20,700	2,100	(v)
<b>Total Pay</b>	<b>147,722</b>	<b>89,865</b>	<b>142,121</b>	<b>(5,601)</b>	<b>163,375</b>	<b>15,653</b>	
Premises	4,197	2,275	4,463	266	3,321	(876)	(vi)
Transport	2,807	646	2,692	(115)	506	(2,301)	(vii)
Supplies and Services	35,089	36,571	50,826	15,737	46,933	11,844	(viii)
Third Party Payments	9,622	7,487	9,917	295	10,641	1,019	(ix)
Unidentified Savings/cost pressures	0	0	0	0	(2,536)	(2,536)	(x)
Support Services	3,365	116	3,408	43	3,404	39	
Capital Charges	5,065	0	5,065	0	5,065	0	
Recharges across Funds	28	0	28	0	28	0	
Recharges within Fund	67	0	67	0	60	(7)	
Transfer to Reserve	500	0	500	0	1,500	1,000	(xi)
<b>Total Non-Pay</b>	<b>60,740</b>	<b>47,095</b>	<b>76,965</b>	<b>16,225</b>	<b>68,922</b>	<b>8,182</b>	
<b>Total Expenditure</b>	<b>208,462</b>	<b>136,960</b>	<b>219,086</b>	<b>10,624</b>	<b>232,297</b>	<b>23,835</b>	
Specific Grants	(72,926)	(28,689)	(84,054)	(11,128)	(89,213)	(16,287)	(xii)
Partnerships	(14,691)	(8,713)	(14,335)	356	(13,699)	992	(xiii)
Fees & Charges (inc capital projects)	(4,710)	(1,044)	(4,017)	693	(5,001)	(291)	(xiv)
Transfer from Reserves	(2,049)	0	(2,593)	(544)	(2,186)	(137)	
<b>Income</b>	<b>(94,376)</b>	<b>(38,446)</b>	<b>(105,000)</b>	<b>(10,624)</b>	<b>(110,100)</b>	<b>(15,723)</b>	
<b>Core Funding</b>	<b>(114,086)</b>	<b>(98,514)</b>	<b>(114,086)</b>	<b>(0)</b>	<b>(122,197)</b>	<b>(8,112)</b>	
<b>Total Income &amp; Funding</b>	<b>(208,462)</b>	<b>(136,960)</b>	<b>(219,086)</b>	<b>(10,624)</b>	<b>(232,297)</b>	<b>(23,835)</b>	
<b>Net (Under)/Overspend</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

14. The proposed 2025/26 budget has been prepared within the resources set out above. Table 7 above summarises the 2024/25 net revenue budget, projected year end outturn and variances and the 2025/26 budget. Underspends / positive variances are shown in brackets.

## **Revenue Budget for 2024/25 and Projected Outturn**

15. The 2024/25 Quarter 3 revenue outturn is presented as a separate paper on today's agenda. This shows a breakeven outturn position, with both expenditure and income expected to be £219.1m. This compares to original expenditure and income budget of £208.5m. The variance of £10.6m is mainly due to the revised implementation plan for the launch of the Future Cyber Crime Reporting and Analysis Service (FCCRAS). This has necessitated extensions to existing Action Fraud service contracts of c£15.3m and is reflected in the additional supplies and services expenditure shown in Table 1. The residual FCCRAS cost pressure on CoLP's budgets, after considering a 50:50 risk share arrangement with the Home Office and the application of additional overhead recovery, remains at £1.2m with the further extension cost pressures forecast at Q3 absorbed by vacancy savings due to the revised trajectory of staff recruitment into the FCCRAS programme. At this stage it is expected that this residual £1.2m cost pressure will be mitigated using a specific earmarked Action Fraud reserve (£0.8m) and core savings (£0.4m) without recourse to use of the General Reserve, however, this position will be kept under review should further pressures arise from programme replanning.
16. Whilst a balanced outturn forecast has been maintained at Q3 24/25, this has only been achieved through the release of budgetary provisions, use of an earmarked reserve, a significant increase in overhead cost recovery from funded activities and unplanned pay savings. Consequently, the 24/25 revenue budget is now at its limit for absorbing any additional cost pressures.

## **Proposed Revenue Budget for 2025/26**

17. The proposed 2025/26 budget has been prepared within the resources set out in Table 6 above. Overall there is an increase of £23.8m between the 2024/25 latest approved budget and the 2025/26 original budget. Further details of support services and capital charges are shown in Appendix 1. The significant movements, budgetary assumptions, risks and opportunities are explained below.

## **Fraud and Cyber Crime Reporting and Analysis Service (FCCRAS)**

18. Recognising that, at this point of budget setting, FCCRAS is in the process of reprogramming, best estimates have been included within this budget. Current service extension costs estimated at £12m have been built in, to be funded by way of a 50/50 "risk share" with Home Office. Also increased capital costs have been estimated at £6m, to be funded two thirds Home Office and one third CoLP. It is likely that CoLP will require recourse to additional internal loan funding of up to £5m for its share of increased capital costs plus funding gap on its share of extension costs, particularly if the whole 12 month extension agreement is required. CoLP's loan balance, should the full £5m, be required would be around £11m at 31/03/26. This remains close to the expected £10m loan position, so there should be minimal extra exposure on CoLP finances or risk to the City, which will be reinforced if additional Business Rate Premium is allocated specifically to fast-track loan repayment.

## **Risks and Opportunities**

19. There are several financial risks and opportunities which may impact the 2025/26 budget.

Risks include:

- Ringfencing of Government Grants, with dependency on maintaining officer uplift levels.
- Pay awards and non-pay inflation being higher than estimated.
- Unfunded pay awards, including London Allowance and the unknown impact of Ambition 25.
- Higher rank / grade mix as employees progress through pay scales
- Loss of income sources.
- Sustaining cost recovery from funded work particularly in relation to National Lead Force funding which provides an element of the City's officer uplift target.
- FCCRAS implementation and any implications arising from the updated detailed delivery plan.
- The levels of recruitment needed to deliver against both the financial and operational Policing Plan, in particular achieving the staff recruitment trajectory as a risk to realising available National Lead Force funding.
- The ability to deliver the mitigations included within the budget within the timeframes set and also the level needed whilst delivering the required levels of service.
- The ability of the Force to deliver the Capital Programme.

Opportunities:

- Further progress on cost recovery for 'funded' work.
- Increased efficiencies from Projectivity Review and implementation of Business Planning outcomes.

## **Pay and Workforce Planning**

20. The pay budget for 2025/26 is £163.3m, this is an increase of £15.6m from 2024/25. The main factors for the increase include:

### **Notes (i) & (ii)**

- the impact of pay inflation being higher than anticipated in 2024/25 being baked into subsequent year's pay. Officers 1.75% and staff 1% above budgetary assumptions with corresponding full year impact of £1.4m & £0.4m respectively.
- For 2025/26 the budget assumes a 2.8% pay award increase for officers and staff in accordance with the National Police Chief's Council and The Police and Crime Commissioners Treasurers' Society (PACCTS), adding £1.3m per annum to Officer and £0.9m to staff pay.
- The increase in employer National Insurance contributions from 13.8% to 15% from 1 April 2025 is expected to increase officer pay by £1.2m and staff pay by £0.8m
- The impact of incremental pay progression increasing pay by £1.2m for officers and £0.5m for staff

- An increase in officer pay by £1.5m per annum following an increase in the London Allowance of £1,250 payable to officers from 1 April 2025.
- Police Officer pay also includes a £0.7m provision relating to the Home Office's Neighbourhood Policing Guarantee and is matched by additional core funding.
- The 2025/26 pay budgets also include a £0.7m core budget correction in respect of the Insurance Fraud Enforcement Department (IFED), with officer pay and staff pay increasing by £0.45m and £0.25m respectively.
- a £2.3m increase in staff costs relating to planned growth in funded work including the Anti-Money Laundering Act Regulations (AMLAR), Enhanced Cyber Reporting (ECRS), and Fraud Reform. This growth is matched by an increase in Specific Government Grant Funding.
- The officer pay budget continues to include an officer adjustment provision of £0.5m to manage the headcount impact of the additional 10 Uplift posts and the risk of overshooting against the 996 target. No allowance is made of officer vacancies due to the requirement to maintain the workforce at Uplift Maintenance levels.
- For staff pay, however, a £0.65m "natural" vacancy factor has been maintained in the budget to recognise savings due to the time lag between leavers and joiners, based on an average of 15FTEs per annum. In addition, the staff pay budget includes a £0.5m mitigation to recognise the current trajectory of "core" staff recruitment which is not expected to reach full establishment until October 2025. This budgetary mitigation is expected to diminish as the intake of staff increases to full establishment.
- **Note (iii)** an increase in police officer overtime budgets of £0.8m, to recognise the challenges of policing in a National and International Capital City as potential focal point for events and protest activities. This increase in overtime budgets will be held centrally and allocated based on irrecoverable overtime demands. Overtime will continue to be monitored through the Force's internal Strategic Finance Board.
- **Note (iv)** a £2.1m increase in the pension deficit provision. This is to align the budget with the current 6-year pension forecast and is offset by a corresponding reduction in Home Office grant income.
- **Note (v)** Agency budgets are assumed to decrease by £0.3m as permanent recruitment into vacancy posts diminishes the requirement for temporary staff to backfill roles.

21. The 2025/26 pay budget is based upon the following full time equivalent (FTE) numbers:

**Table 8 – Workforce Establishment**

	<b>Officer FTE</b>	<b>Staff FTE</b>	<b>Total FTE</b>
2024/25 Baseline	946	536.2	1,482.2
SOC Uplift (Regional Organised Crime Units)	30.0	0	30.0
NPCC Cybercrime	9.0	2.8	11.8
<b>Changes</b>	<b>(1.0)</b>	<b>-</b>	<b>(1.0)</b>
<b>Establishment at 1st April 2024</b>	<b>984.0</b>	<b>539.0</b>	<b>1,523.0</b>
<b>Temporary Funded Roles</b>	<b>56.9</b>	<b>205.6</b>	<b>262.5</b>
<b>TOTAL Budgeted Workforce</b>	<b>1,040.9</b>	<b>744.6</b>	<b>1,785.5</b>

22. The NPCC Cyber Portfolio (11.8FTE) and 30 FTE Police Uplift SOC posts are shown in the overall establishment in Table 8 and are included in the Home Officer Uplift headcount target of 996. The Cyber Portfolio team and the Police Uplift SOC posts are funded from specific grants and claimed in arrears from Home Office. Of the 30 SOC posts, 2 will be employed directly by CoLP and the remaining 28 are based in the Regional Organised Crime Units (ROCU). The majority of the Cyber Portfolio will be recruited via seconded officers and agency staff. The budget also assumes a further 262.5 temporary funded roles mainly related to delivery of NLF lead force activities.

23. The budget assumes resourcing levels for 25/26 will be an establishment of 1,523 FTEs, comprising 984 FTE Officer and 539 staff roles, plus 262.5 temporary funded roles. The reduction by 1 in the officer FTE relates to a secondment which was included in the budgeted establishment but has been removed as the funding for the post has ended. Based on the experience of 23/24 and 24/25 an officer FTE of 984 should provide for a head count of 996. This is because there are several part time officer posts which count as 1 when measuring achievement against the Uplift Maintenance target of 996. The number of part time posts and interaction with the achievement of the Uplift Maintenance target will be kept under review. In addition to the budgeted headcount above it is expected that there will be a further increase in officer roles because of the Neighbourhood Policing Guarantee included in the Provisional Settlement. The Home Office have not yet communicated the officer expectations based on the £0.7m allocation to CoLP but it's not inconceivable that this expectation could equate to 8-10 additional PCs.

24. Pay inflation assumptions remain one of the largest areas of risk. Based on the latest advice from the National Police Chief's Council and The Police and Crime Commissioners Treasurers' Society (PACCTS), a provision of 2.8% has been provided for both officers and 3 staff. While an assumption of 2% had been included in the November 2024 MTFP, it is not clear whether the Provisional Settlement includes forward funding of the 25/26 pay award, which the Government currently recommends as 2.8%. In prior years, the Home Office has provided a separate pay award grant to compensate forces for the recommendations agreed following the annual recommendations from the Police Remuneration Review Body (PRRB), however, it is not certain whether this will be the case for 25/26. For prudence,

therefore, a higher rate of pay inflation has been included in the Police budget of 2.8% compared to the 2% MTFP assumption. For funded work it is assumed that any inflationary consequences because of the 25/26 PRRB recommendations will be provided for through a top slice to the overall Police funding envelope for national policing priorities. If this doesn't prove to be the case, then programme deliverables and resourcing will need to be reviewed to ensure that each programme operates within the available funding.

## Non-Pay

25. **Note (vi)** The premises budget for 25/26 is £3.3m, a reduction of £0.9m compared to 24/25. This is mainly due to the removal of a one off £1.3m increase in the premises budget in 24/25 to allow for cyclical maintenance works at Bishopsgate and New Street to prolong the operational viability of these site ahead of delivery of the Future Police Estates programme. This £1.3m reduction in breakdown budgets net of £0.5m increase in provisions for energy, utilities and cleaning costs.

26. **Note (vii)** The Transport budget for 25/26 is £0.5m, a decrease of £2.3m compared to 24/25. This is principally due to the virement of the budget for the Rail Delivery Group (ATOC) discounted travel scheme from a "Transport" to Third Party Payments to better align the budget to the reporting requirements of CIPFA's Police Objective Analysis.

27. **Note (viii)** The Supplies and Service budget for 25/26 is £46.9m, an increase of £11.8m compared to 24/25. A breakdown of the budget is shown in Appendix 2. The increase of £11.8m is mainly due estimated FCCRAS extension costs of £12m referred to in paragraph 18.

Several other non-pay pressures have also been managed through budget re-prioritisation within the overall funding envelope, including: -

- A £0.3m increase in Local Policing Information Technology budgets to provide an expected increase in the cost of the Command-and-Control service provided by the Metropolitan Police Service for emergency call handling. This proposed increase, with effect from 24/25 has been noted in the quarterly monitoring reports to this committee.
- An increase in software licencing, data storage costs, security and external services, of £0.4m due to inflation and increased demand.

28. **Note (ix)** The third-party payments budget for 2024/25 is £10.6m an increase of £1.0m from 2024/25. This is mainly due to the transfer of £2m Rail Delivery Group charges from "Transport" budgets (para 26), net of a £1m reduction for funded activities. Third party payments include the cost of annual IT Service Level Agreement (SLA) with the City Corporation (£6.2m) as well as the annual Occupation Health Service subscription, Forensic Services contract costs and payments to other forces for seconded officers. A breakdown of third-party funding is show in Annex 2.



29. **Note (x)** Included within non-pay is £2.5m of unidentified savings/additional funding requirements. This has been necessary to balance the 25/26 budget noting the £1m residual core deficit for additional pay pressures and an estimated £1.5m FCCRAS budgetary shortfall, both of which were outside of the November 2025 MTFP (para 6-12 ref).
30. **Note (xi)** The 25/26 budget assumed an increase in provisions and contingencies to create a specific reserve to smooth the revenue impact of estates, cyclical maintenance and other running cost risks ahead of the move to the new police estate. Included within the £1m increase in the transfers to reserve is also a risk provision for the budgetary impact of the City's Ambition 25 programme, which is a review of staff reward and recognition. These provisions are considered as necessary and appropriate to help manage emerging estates and staff pay liabilities.

## Income

31. **Note (xii)** The force receives income and funding from a range of sources, with total budgeted income amounting to £232.2m in 2025/26 as detailed in the non-public Appendix 3, to this report. Due to the sensitive nature of the various funding streams, this is presented as a non-public appendix. CoLP funding primarily comes from its Home Office core grant, amounting to £92m for 2025/26 (39.6% of all income) Other specific Government grants total £89.2m (34.4% of all income), which includes funding for CoLP's National Lead Force for Fraud & Cyber roles and a grant to cover CoLP's contribution to the Officer Pension Scheme deficit. Total Government grants amount to £181.2m in 2025/26, 78% of all funding.
32. Unlike other Police and Crime Commissioners (PCCs) The City Corporation does not have the ability to raise funding through a Precept on Council Tax. It is however able to levy a Premium on Business Rates to provide local funding for the Police (as well as wider security purposes). The allocation to CoLP is expected to be £29.5m for 2025/26 (12.7%). In 2025/26 the City Corporation will also provide £0.7m of funding towards the contact centre (0.3%) and £1m BRP funding for the Secure City Programme (0.4%).
33. **Note (xiii)** Partnership income totals £13.7m in 2025/26 (5.9% of all income), comprising funding from third parties in support of the fight against fraud and economic crime. In prior year this also included specific funding from TfL in connection with transport policing and safety camera enforcement (24/25 £1.4m) under a Special Services Agreement (SSA). The SSA provides for an establishment of 13.2 FTEs (10 Officers and 3.2 staff). On 30<sup>th</sup> September 2024, however, TfL served the Force with a termination notice effective from 1<sup>st</sup> April 2025 citing significant financial pressures facing TfL and the low level of risk and harm on the road and bus network in the City compared to other areas of London. The challenge for CoLP is that with £2.6m of Uplift maintenance funding dependent on maintaining officers at a headcount levels, it is not possible to reduce officer numbers commensurate with the loss of funding. The 25/26 budget assumes that the officer establishment of 996 will remain affordable through growth in funded activities. The

impact of this on transport policing delivered by CoLP in the City is considered in the non-public section of this agenda.

34. **Note (xiv)** Income from fees and charges is estimated to be £5.0m in 2025/26 (2.2% of all income) and is largely derived from training delivered through the Economic Crime Academy, salaries recharged to capital and change projects.

35. As set out in the 2023 Income Strategy Report, charging for service is a complex area and as a minimum any charge must recover all direct costs. Wherever possible, however, CoLP will seek to recover full cost using a Full Economic Cost Recovery Model. Applying this model remains critical in 2025/26 to delivering £8.5m of additional income to meet mitigation targets, this is an increase of £4m on 24/25.

### Business Unit Control Totals 2025/26

36. Taking together workforce numbers and the proposed 2025/26 revenue estimate, Table 9 below provides a breakdown of budgeted staffing numbers, business unit control totals for 2025/26 and a summary of the functions included within each unit.

**Table 9 – Business Unit Control Totals 2025/26**

25/26 Budget by Business Area	TOTAL COLP	Local Policing	Specialist Operations	National Lead Force	Corporate Services	Central Inc & Exp
<b>Budgeted FTE</b>						
Officer	984	390	302	200	92	0.0
Staff	539	75	137	141	186	0.0
<b>Total Establishment</b>	<b>1,523</b>	<b>465</b>	<b>439</b>	<b>341</b>	<b>278</b>	<b>0.0</b>
Officer	55.9	0.0	12.8	27.1	16.0	0.0
Staff	205.6	0.0	7.0	165.8	32.8	0.0
<b>Total Temporary</b>	<b>261.5</b>	<b>0.0</b>	<b>19.8</b>	<b>192.9</b>	<b>48.8</b>	<b>0.0</b>
<b>Total Budgeted FTE</b>	<b>1,784.5</b>	<b>465.0</b>	<b>458.8</b>	<b>533.9</b>	<b>326.8</b>	<b>0.0</b>
<b>Budgeted £m</b>						
Pay Costs	163.4	37.2	36.0	39.3	25.1	25.7
Non Pay Costs	68.9	3.2	2.8	42.0	14.4	6.4
<b>Total Expenditure</b>	<b>232.3</b>	<b>40.4</b>	<b>38.8</b>	<b>81.3</b>	<b>39.6</b>	<b>32.1</b>
Income	(110.1)	(5.7)	(7.6)	(69.4)	(5.8)	(21.5)
<b>Net Budget</b>	<b>122.2</b>	<b>34.7</b>	<b>31.3</b>	<b>12.0</b>	<b>33.7</b>	<b>10.6</b>
<b>Functions Including</b>		Sector Response Taskforce Contact	Intelligence Investigation Forensics CJS	Funded Units FCCRAS/ NFIB NLF Fraud NLF Cyber	Chief Officers CFO COO Prof & Trust	Pension Deficit POCA Recharges Unalloc Roles (NBH)

37. As shown in Table 9 above, territorial policing (Local Policing and Specialist Operations) accounts for 52% of the core funded full time equivalent (FTE) staffing numbers and 54% of the net budget. Corporate Services and Central Income and Expenditure consists of 18% of the workforce and 36% of the net budget. The remaining 30% of the workforce are employed in National Lead Force (NLF) the funded nature of its activities means that proportionally it is allocated less core budget as £69.3m of its activities are financed outside of the core Home Office and local BRP funding.

### Core / Funded Analysis 2025/26

38. The scope of funding for the Force's activities, the range of income streams, set out in the non-public Appendix 3 to this report, and organisational structures create a complex network of resource allocation with key funding streams typically spanning more than one business area. Table 10 below, provides a high-level analysis of workforce and budget allocations across five main workstream within CoLP, allocating both people and money to core and funded activities. While this analysis needs to be further matured, it shows the extent to which CoLP's core budget supports 'funded' work including FCCRAS, Funded Units and Change. While CoLP seeks to recover full cost - where appropriate using an Economic Cost Recovery Model- to fully understand the degree of core support/subsidisation an internal recharging methodology would need to be developed to allocate overheads on best value/activity basis across all CoLP's services. Assessment of the resource implications and cost/benefits of progressing this analysis will commence in 25/26.

**Table 10 - Core / Funded Analysis**

	Core	Funded	Total	Breakdown of Funded Work					
				NLF Fraud	NLF Cyber	NLF FCCRAS	Funded Units	Other P'ships	Other ART / Projects
				Note 1	Note 2		Note 3		
Officers (FTE)	786.8	253.1	1,039.9	97.5	15.0	20.6	75.0	5.0	40.0
Staff (FTE)	359.0	385.6	744.6	102.9	44.5	136.1	32.6	0.0	69.5
<b>Total Workforce (FTE)</b>	<b>1,145.8</b>	<b>638.7</b>	<b>1,784.5</b>	<b>200.4</b>	<b>59.5</b>	<b>156.7</b>	<b>107.6</b>	<b>5.0</b>	<b>109.5</b>
Pay Costs (£m)	115.3	46.5	161.7	16.4	6.3	9.8	9.6	0.4	4.0
Non-Pay Costs (£m)	38.6	44.0	82.6	4.7	3.9	30.5	4.8	0.0	0.0
<b>Total Costs (£m)</b>	<b>153.9</b>	<b>90.4</b>	<b>244.3</b>	<b>21.1</b>	<b>10.2</b>	<b>40.3</b>	<b>14.4</b>	<b>0.4</b>	<b>4.1</b>
<b>Income (£m)</b>	<b>(35.6)</b>	<b>(86.6)</b>	<b>(122.2)</b>	<b>(21.1)</b>	<b>(10.2)</b>	<b>(37.3)</b>	<b>(13.9)</b>	<b>(0.4)</b>	<b>(3.7)</b>
<b>Net (£m)</b>	<b>118.3</b>	<b>3.9</b>	<b>122.2</b>	<b>0.0</b>	<b>0.0</b>	<b>3.0</b>	<b>0.5</b>	<b>0.0</b>	<b>0.4</b>

## Notes to Table 10

- The core budget also supports an element of the NLF Fraud team for Fraud Cases in the City (£3.9m / 50FTEs)
- On going core contribution to FCCRAS is £1.5m per annum. Additional £1.5m provision is linked to programme implementation and is time limited.
- Core contribution to funded units is linked to the assessment of work the City would need to do in absence of the units.
- Overheads are included in the cost lines in the table and overhead recovery in the income lines.

## Capital Programme 2025/26

39. The CoLP Capital Programme comprises projects developed and managed by the Force, which are either funded directly from the Force's own resources or via a City Corporation loan facility. The revenue budget makes provision for principal and interest repayment. In addition, substantial capital funding is received from the Home Office towards FCCRAS.

40. The proposed Capital Programme for 2025/26 is shown in table 10 below and amounts to £13.565m. This comprises an estimated £7.500m on FCCRAS, £2.447m on projects which commenced in prior years, £0.280m for new prioritised projects commencing in 2025/26 and £0.838m remaining uncommitted/available for other new projects in 2025/26. Seven of the projects proposed to commence in 2025/26 are not expected to conclude until 2026/27 with additional spend of £0.238m forecast in that year. All new projects will be subject to business case approvals, supported by assessments on deliverability and affordability.

The 2025/26 capital programme also provides £0.890m for cyclical replacement, £1.000m for Future Police Estates Portfolio (FPEP) technological replacement, and £0.610m for contract assessment, continuous improvement and feasibility work. The table also shows a forecast outturn for 2024/25 of £12.297m which is explained in a third quarter (Q3) budget monitoring report on the agenda.

41. In addition to the CoLP funded projects, the City of London Corporation funds some strategic CoLP projects, mainly comprising the Accommodation and Secure City Programmes.

42. In order to show the full cost of the FCCRAS project, table 11 also shows all years back to 2021/22 when this project commenced. Based on the development of a new programme plan, capital costs are estimated to increase by £6.0m to £37.0m, with the increase expected to be incurred in 2025/26 and funded jointly by Home Office (£4.0m) and CoLP (£2.0m).

**Table 11– Proposed Capital Programme 2025/26**

<b>CoLP Capital Programme</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>CoLP PROJECTS:</b>							
<b>2025/26 projects and projects started in prior years</b>							
FCCRAS (para 42)	3,970	5,392	12,396	7,780	7,500	-	37,038
Command and Control	-	-	-	93	623	329	1,045
Multi-Agency Police Peer Support (MAPPS)	-	-	-	15	133	-	148
Action Fraud	2,041	-	-	-	-	-	2,041
Data Analytics-Power BI	-	98	-	634	50	-	782
BWV	-	181	36	7	-	-	224
Forensic Case & Quality Mgmt	-	175	169	22	478	-	844
CAID	19	14	7	-	-	-	40
TFG Armoury	-	20	141	-	-	-	161
ICAV	-	-	195	15	50	-	260
Covert Camera System	-	23	23	65	-	-	111
Covert Surveillance Equipment	-	89	64	91	-	-	244
Barbican Airwave Coverage	-	-	27	-	-	-	27
Out of Court Resolution	-	-	-	148	-	-	148
Tackling Organised Exploitation	-	-	-	-	7	-	7
E-discovery	-	-	-	50	491	-	541
Digital Asset/Evidence Mgmt	-	-	-	4	56	-	60
Joint ERP solution	-	-	-	4	11	20	35
Digital Case File	-	-	-	-	10	19	29
HO Biometrics Case File	-	-	-	-	5	19	24
Rape Response Review	-	-	-	16	-	-	16
Role Based Access	-	-	-	2	75	21	98
Auto redaction	-	-	-	99	-	-	99
Electronic Display Screen	-	-	-	-	47	-	47
Equipment Mgmt System	-	-	-	-	-	-	-
Operation Soteria (Vawg)	-	-	-	17	30	-	47
Travel System – Agito	-	-	-	25	-	-	25
Forensic Image Mgmt System	-	-	-	59	3	-	62
Prioritisation, feasibility & other projects	900	594	46	355	-	-	1,895
<b>Sub-total: 2025/26 projects &amp; projects started in prior years</b>	<b>6,930</b>	<b>6,586</b>	<b>13,104</b>	<b>9,548</b>	<b>9,947</b>	<b>422</b>	<b>46,537</b>
<b>Proposed New Projects 2025/26</b>							
DDaCs (para 43)	-	-	-	-	17	-	17
CCTV (para 44)	-	-	-	-	23	-	23
Data improvem't prog. (para 45)	-	-	-	-	80	100	180
ESN (para 46)	-	-	-	-	6	23	29
NLEDS (para 47)	-	-	-	-	43	12	55
Vetting RPA (para 48)	-	-	-	-	34	-	34
HR recruitment system (para 49)	-	-	-	-	72	13	85
Virtual reality Engagment(para 50)	-	-	-	-	-	27	27
Process review (para 51)	-	-	-	-	5	-	5
Bodyworn live stream (para 52)	-	-	-	-	-	22	22
<b>Sub-total: Proposed New Projects 2025/26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>280</b>	<b>197</b>	<b>477</b>
<b>Funding for other new projects</b>				<b>391</b>	<b>838</b>	<b>1,331</b>	<b>2,560</b>
<b>TOTAL CoLP PROJECTS</b>	<b>6,930</b>	<b>6,586</b>	<b>13,104</b>	<b>9,939</b>	<b>11,065</b>	<b>1,950</b>	<b>49,074</b>

<b>CoLP Capital Programme</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Continued</b>							
<b>TOTAL CoLP PROJECTS (c/fwd)</b>	<b>6,930</b>	<b>6,586</b>	<b>13,104</b>	<b>9,939</b>	<b>11,065</b>	<b>1,950</b>	<b>49,574</b>
<b>Cyclical replacement</b>							
Fleet (cars) (para 53)	-	340	329	358	459	350	1,836
Fleet (horsebox) (para 54)	-	-	-	400	-	-	400
Fleet (motorbikes)	-	205	-	-	-	-	205
IT (para 55)	-	-	318	1,200	431	400	2,439
Firearms (para 56)	-	-	-	400	-	-	400
Other	1,000	-	225	-	-	-	1,225
<b>Sub-total: Cyclical replacement</b>	<b>1,000</b>	<b>545</b>	<b>872</b>	<b>2,358</b>	<b>890</b>	<b>750</b>	<b>6,415</b>
FPEP tech repayment (para 57)	-	-	-	-	1,000	1,000	2,000
Contract assessment (para 58)	-	-	-	-	100	100	200
Continuous improvem't (para 58)	-	-	-	-	310	1,000	1,310
Feasibility work (para 58)	-	-	-	-	200	200	400
<b>TOTAL STANDING ITEMS</b>	<b>1,000</b>	<b>545</b>	<b>872</b>	<b>2,358</b>	<b>2,500</b>	<b>3,050</b>	<b>10,325</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>7,930</b>	<b>7,131</b>	<b>13,976</b>	<b>12,297</b>	<b>13,565</b>	<b>5,000</b>	<b>59,899</b>
<b>Funding</b>							
City Fund loan (FCCRAS)*	-	-	-	3,017	3,500	-	6,517
City Fund loan (other projects)	2,941	1,401	(137)	595	1,065	-	5,865
Home Office (FCCRAS)*	3,970	3,000	11,200	2,804	4,000	-	24,974
City Fund	-	110	174	-	-	-	284
City ULEZ loan	1,000	-	-	-	-	-	1,000
POCA	19	38	7	881	-	-	945
Direct Revenue Financing (DRF)	-	2,582	2,732	5,000	5,000	5,000	20,314
<b>TOTAL FUNDING</b>	<b>7,930</b>	<b>7,131</b>	<b>13,976</b>	<b>12,297</b>	<b>13,565</b>	<b>5,000</b>	<b>59,899</b>

\*The phasing of Home Office and City Contributions between 24/25 & 25/26 may vary from this position.

### Proposed New Projects 2025/26

- 43. Dynamic Decision and Case Management (DDaCs):** For policing operations, which have both cross boundary and threat to life characteristics, there is a significant challenge with the inconsistent and incomplete usage of the case management, decision logging and decision support systems. This represents a risk that is being carried by all forces and ultimately, considering the national aspect to complex operations, by the national leads charged with cohering capability. DDaCS is a national programme to introduce one cohesive solution for case management and operational decision-making.
- 44. Closed Circuit Television (CCTV):** Following the introduction of the Secure City Programme and upgrades in CCTV capability, this is a project to operationalise those devices, to optimise its outputs and align force structures and resources to make best use of its' availability.
- 45. Data Improvement Programme:** A large-scale redevelopment of data usage across the Force, making best use to inform decision making across all levels and seeking to provide a solid evidence-base for performance management.

46. **Emergency Services Network (ESN):** The Home Office is leading a cross-government programme to deliver the new Emergency Services Network (ESN) critical communications system. This will replace the current Airwave service used by the emergency services.
47. **National Law Enforcement Data Programme (NLEDS):** National Project to replace the existing Police National Computer.
48. **Vetting Robotic Process Automation (RPA):** Continuous improvement of vetting processes using technological advancement in generative AI and other approaches.
49. **HR Recruitment System:** Reviewing the existing recruitment system, and ongoing ERP capabilities to ensure these are fit for purpose of policing requirements, specifically Officer recruitment.
50. **Virtual Reality Engagement Programme:** Continuous improvement using technological advancement in generative AI and other approaches.
51. **Process review:** - Mapping of all processes to identify areas that duplicate effort; are unnecessary; could be automated or streamlined to release staff time, both for the team managing the tasks and for the end users required to input information for those tasks to be completed
52. **BodyWorn Live Streaming:** Continued development of the BodyWorn Video system, allowing real-time streaming into control room or to operational commanders for evidence gathering and improved sight / decision-making.

### **Standing Items: Cyclical Replacement**

53. **Fleet (cars):** a provision is made for the critical replacement of cars during 2025/26. A new Fleet Strategy is anticipated in 2025 which will provide an evidenced based plan for future fleet purchases.
54. **Horsebox:** There was a delay purchasing the horsebox due to the limited supplier selection nationally. However, delivery is expected in 2024/25, and it is anticipated that the full project budget of £400k will be spent.
55. **IT replacement:** Current Surface Pros and Laptops are coming to their end of life and require replacing. A provision of £1.2m has been included in the 2024/25 budget to replace up to 1,168 devices and their rollout has commenced, with a further £400k provision included in 2025/26 to replace a further 386 devices which will reach end of life in that year.
56. **Firearms replacement:** A provisional sum of £400k has been provided for the replacement of the current fleet of carbines and their sighting systems due to them approaching their end of useful and economic life. During February testing will be carried on the new equipment will full delivery expect either at the end of March or early April

## **Standing Items: Other**

57. **Future Police Estates Programme (FPEP) Technology replacement:** Future Police Estates Programme (FPEP) tenant-related spend is estimated to total £7.7m, financed from £3m application of the 2024 BRP increase indicatively allocated to fast-track loan repayment, £1.7m residual BRP and £3.0m to be prioritised within cyclical replacement budgets over 3 years. The £7.7m includes 'Category C' furniture, fittings and equipment (FF&E) of £4.4m and end user business as usual IT equipment (£3.3m).
58. **Contract assessment, continuous improvement and feasibility work:** Funds have been set aside from 2025/26 for contract assessment, to assess continued business need and ensure timely renewal, and for continuous business improvement and ongoing project feasibility work.

## **Capital Programme 2026/27**

59. Table 11 above also shows an indicative position for the following year 2026/27 based on the annual £5m Direct Revenue Financing (DRF) allowance from the revenue budget to fund projects.
60. The table shows £0.238m for the conclusion of the projects proposed to commence in 2025/26, £0.422m on projects which commenced in prior years and the balance of the £5m DRF is shown as funding available for new projects in 2026/27 (£1.190m).
61. The 2026/27 capital programme also provides £0.750m for cyclical replacement, £1.100m for FPEP technology replacement, £1.000m continuous improvement and £0.300m for contract assessment and feasibility work.



## Reserves

62. The forecast Force reserves position for 2025/26 is summarised in Table 12 below.

**Table 12 – CoLP Reserves**

CoLP Reserves	Opening Balance	Q3 Forecast Additions	Forecast Spend	Forecast Closing Balance	Forecast Additions	Forecast Spend	Forecast Closing Balance
	01-Apr-24 £'000	2024/25 £'000	2024/25 £'000	31-Mar-25 £'000	2025/26 £'000	2025/26 £'000	31-Mar-26 £'000
<b>General reserve</b>	6,595	-	-	6,595	-	-	6,595
Earmarked reserves:							
POCA	5,946	500	(2,600)	3,846	500	(2,212)	2,134
Emerg Services Mobile Tech	294	-	-	294	-	-	294
Action Fraud Reserve	775	-	(775)	-	-	-	-
Asset Replacement	-	-	-	-	750	-	750
Corporate Priorities	-	-	-	-	250	-	250
<b>Sub-total - Earmarked reserves</b>	7,015	500	(3,375)	4,140	1,000	(2,212)	3,428
<b>TOTAL RESERVES</b>	<b>13,610</b>	<b>500</b>	<b>(3,375)</b>	<b>10,735</b>	<b>1,500</b>	<b>(2,212)</b>	<b>10,023</b>

63. Over the medium term CoLP's reserve strategy aims to maintain a general reserve that supports management of CoLP's strategic and medium-term financial risks to: 1) cope with unforeseen events and emergencies, 2) as a contingency to respond to uncertainty in the economic climate, 3) to provide flexibility in managing future years budget pressures and 4) to balance cashflow fluctuations without calling upon additional local grant and/or loan funding. The proposed 2025/26 budget does not anticipate use of the general reserve, however, this is subject to inflation and other pressures not increasing above current budgetary assumptions. The Force's reserves policy, in line with Home Office expectations, is to maintain a General Reserve of 5% of net revenue expenditure (NRE). In 2025/26 the balance held in the Force's General Reserve is 5.31% of NRE.

64. POCA relates to the National Asset Recovery Incentivisation Scheme (ARIS), where relevant agencies get back a proportion of what they recover. It is expected that the funds are used to improve performance on asset recovery and to fund local crime fighting priorities for the benefit of the community in the following categories:

- Asset Recovery Work
- Crime Reduction projects
- Community Projects
- Miscellaneous

65. The opening balance at the start of 24/25 was £5.9m and includes an unusually large receipt of £7.1m which was received at the end of 2021/22 from Operation Neutron. Given the significance of the reserve and requirement for sound governance it was determined that through the budget setting process the Police Authority will approve planned level of commitment and annual spend against POCA funds.

66. The use of POCA is subject to full business case development, project prioritisation and assessment of affordability. Updates on expenditure have been reported quarterly to this Committee and this stage the POCA reserve is forecast to fund £2.2m of revenue and capital expenditure in 2025/26 comprising £2.1m in relation to asset recovery / civil recovery activities and £0.1m for other relevant expenditure as set out below.

**Table 13 – Proceeds of Crime Act Reserve (POCA)**

<b>POCA Bids</b>	<b>Asset Recovery £'000</b>	<b>Crime Reduction £'000</b>	<b>Community Projects £'000</b>	<b>Misc £'000</b>	<b>Total £'000</b>
Asset Recovery Team (Revenue)	1,459	-	-	-	1,459
Civil Recovery Team (Revenue)	617	-	-	-	617
Covert Tasking	-	10	-	-	10
ECPHQ Communications Support	-	100	-	-	100
<b>Sub-total Revenue Funding</b>	<b>2,076</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>2,186</b>
Data Analytics	-	-	-	11	11
Out of Court Resolutions	-	-	-	15	15
<b>Sub-total Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>26</b>
<b>Grand Total</b>	<b>2,076</b>	<b>110</b>	<b>-</b>	<b>26</b>	<b>2,212</b>

- 1 Support Services and Capital Charges
2. Supplies and Services and Third-Party Expenditure Analysis
3. Income & Funding Streams – **Non-Public**
4. MTFP Pressures, Mitigations and Funding Streams – **Non-Public**

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## Appendix 1

### Support Services and Capital Charges

Support Services & Capital Charges from/to the City of London Police	Original Budget 2024/25 £'000	Draft Budget 2025/26 £'000	Note Ref
<b>Support Services and Capital Charges</b>			
City Surveyor's Employee Recharge	91	88	
Insurance	454	391	
IT Recharges – Chamberlain	6	2	
Capital Charges	2,541	2,594	
Capital Contras	(2,541)	(2,594)	
Notional capital charges	65	65	
Admin Buildings	1,276	1,487	(i)
Support Services	1,538	1,436	(ii)
<b>Total</b>	<b>3,430</b>	<b>3,469</b>	
<b>Recharges Within Fund</b>			
Car Park Recharge P&T	49	42	
Licence fees – Port Health & Environmental Services Committee	18	18	
<b>Total</b>	<b>67</b>	<b>60</b>	
<b>Recharges Across Funds</b>			
Remembrancer's Recharge - Policy & Resources - City's Cash	28	28	
<b>Total</b>	<b>28</b>	<b>28</b>	
<b>TOTAL POLICE</b>	<b>3,525</b>	<b>3,557</b>	

Notes:

- (i) Share of Guildhall premises costs based on floor area. Variations reflect the phasing of the cyclical works programme
- (ii) Support Services covers charges from the Chamberlains, Comptroller and City Solicitor, Town Clerk and City Surveyor's departments

## Appendix 2

### Supplies and Services analysis

Category	24/25 Latest Budget	224/25 Actuals	24/25 Projected Outturn Q3	24/25 Variance vs. Budget	25/26 Projected Budget	25/26 vs 24/25 Budget
	£'000	Q3 £'000	£'000	£'000	£'000	£'000
Action Fraud/FCCRAS	16,371.0	23,580.0	31,677.0	15,306.0	29,911.0	11,540
Advertising	24.0	19.1	23.7	(0.3)	25.0	1.0
Animals & Livestock	153.0	87.0	142.0	(11.0)	156.0	3.0
Books	7.0	(0.2)	0.0	(7.0)	0.0	(7.0)
Computer	3,930.0	3,295.6	4,516.0	586.0	5,442.0	1,512.0
Conferences	59.0	322.5	338.7	279.7	95.0	36.0
Contract expenses	78.0	78.1	26.7	(51.3)	78.0	0.0
Contributions to Funds & Provisions	205.0	8.9	155.0	(50.0)	210.0	5.0
Equipment	2,620.0	1,221.4	2,105.5	(514.5)	2,580.0	(40.0)
Fees	8,732.0	5,271.6	8,933.1	201.1	7,184.0	(1,548.0)
Furniture	2.0	24.4	24.3	22.3	2.0	0.0
General Office Expenses	0.0	0.9	1.2	1.2	1.0	1.0
Grants & Subscriptions	951.0	810.4	1,636.2	685.2	964.0	13.0
Hospitality	8.0	48.3	45.4	37.4	159.0	151.0
Laundry & Dry Cleaning	8.0	(3.3)	0.0	(8.0)	0.0	(8.0)
Materials	35.0	13.9	12.8	(22.2)	6.0	(29.0)
Mayoralty And Civic Expenses	0.0	5.4	7.2	7.2	0.0	0.0
Other Charges	0.0	(4.0)	(4.0)	(4.0)	0.0	0.0
Postage	59.0	13.7	10.6	(48.4)	55.0	(4.0)
Printing	76.0	38.1	65.6	(10.4)	69.0	(7.0)
Provisions	21.0	33.8	21.5	0.5	11.0	(10.0)
Purchase of Vehicles	12.0	28.7	35.3	23.3	0.0	(12.0)
Radio	1.0	(0.4)	0.0	(1.0)	1.0	0.0
Services	458.0	428.2	29.9	(428.1)	617.0	159.0
Stationery	17.0	16.9	10.3	(6.7)	16.0	(1.0)
Subsistence	344.0	251.2	344.8	0.8	425.0	81.0
Telephone	270.0	374.8	129.8	(140.2)	240.0	(30.0)
Uniforms	648.0	606.1	537.6	(110.4)	686.0	38.0
	<b>35,089.0</b>	<b>36,571.0</b>	<b>50,826.0</b>	<b>15,737.0</b>	<b>46,933.0</b>	<b>11,844.0</b>

## Appendix 2

### Third Party Payments analysis

Third Party Categories	24/25 Latest Budget	24/25 Actuals Q3	24/25 Projected Outturn Q3	24/25 Variance vs.Budget	25/26 Projected Budget	25/26 vs 24/25 Budget
	£'000	£'000	£'000	£'000	£'000	£'000
Rail Delivery Group - Officer Travel	0	0	0	0	2,074	2,074
Accommodation	146	239	166	20	191	45
Forensic Services	295	328	310	15	280	(15)
IT SLA	6,200	4,026	6,200	0	6,200	0
Occupational Health	297	133	297	0	297	0
NPCC/Other Subscriptions	140	139	144	4	155	15
National Lead Force	2,393	1,136	2,290	(103)	1,237	(1,156)
Seconded Officers	146	62	75	(71)	146	0
Miscellaneous	5	1,529	20	15	61	56
	<b>9,622</b>	<b>7,593</b>	<b>9,502</b>	<b>(120)</b>	<b>10,641</b>	<b>1,019</b>