

House of Commons: Written Statement (HCWS129)

Home Office

Written Statement made by: **The Minister of State for Policing, Criminal Justice and Victims (Mike Penning)** on 17 Dec 2014.

Police Grant Report England and Wales 2015/16

I have today placed in the Library my proposals for the aggregate amount of grant to Local Policing Bodies in England and Wales for 2015/16, for the approval of the House. Copies will also be available in the Vote Office.

The Department for Communities and Local Government (DCLG) will in due course publish proposals for the distribution of funding to English local authorities for 2015/16. A further £3m of Council Tax Freeze Grant funding, previously paid to Local Policing Bodies by DCLG, will be paid by the Home Office in 2015/16. This follows the permanent transfer of £500m of other Legacy Council Tax Grants and £3bn 'formula funding' from DCLG to the Home Office in previous years, reflecting our ambition to simplify police funding arrangements over this Parliament. The Welsh Government will shortly set out its proposals for the allocation of funding in 2015/16 for Local Policing Bodies in Wales.

Since 2010 we have seen some of the biggest changes to policing in decades. Crime is down by over a fifth. There is significantly greater local accountability and transparency and police leaders have taken the opportunity to radically reform the way they deliver services to the public. Police officers have been taken out of back office roles and resources focused on front line delivery, putting officers back on the streets where the public expect them to be. Police forces are working more closely than ever before to reduce costs and duplication, and have started to work more closely with other emergency services through co-location and collaboration in areas such as mental health. The police are making their contribution to reducing the deficit and Her Majesty's Inspectorate of Constabulary have found that the police are successfully meeting the challenge of balancing their books while protecting the frontline and delivering reductions in crime.

After careful consideration of all Home Office budgets and the impact of the Chancellor's 2013 Autumn Statement, I have decided to maintain the 4.9 per cent real terms headline reduction to overall central government funding to the police announced at Spending Round 2013. Taking account of the latest inflationary forecast from HM Treasury published alongside the Chancellor's 2014 Autumn Statement, this means a total cash reduction of £299m in the overall police funding envelope compared to 2014/15.

I have also decided that the Government's approach to funding arrangements will continue in 2015/16. This means that every police force area will face the same percentage reduction in core central Government funding. This amounts to a cash reduction in this funding of 5.1 per cent (in cash terms) compared to 2014/15.

I have also decided to allocate funding to specific areas where I consider there to be a national policing interest. This includes maintaining police spending on counter terrorism, improving police integrity, transparency and leadership, and enabling the investment required so the police can innovate to meet new challenges and access critical modern infrastructure by:

- maintaining funding for counter-terrorism policing of at least £564m;
- providing a further £30m for the Independent Police Complaints Commission;

- supporting HMIC's PEEL inspection programme with £9.4m;
- offering £4.6m for the College of Policing's direct entry schemes;
- allocating £70m of funding to the Police Innovation Fund; and
- providing £40m of funding for Major Programmes.

I am also considering whether a limited amount of Police Capital Grant will be reallocated to support the Communications Capabilities Development and Emergency Services Mobile Communications (ESMCP) programmes. I will confirm my decision in the Written Ministerial Statement that will accompany the Final Police Grant Report in February.

The police in England and Wales are facing many challenges, including new and emerging threats and a growing number of historic investigations. This Government has always been clear that the police will have the resources they need for their important work, and this will continue to be the case in 2015/16.

I have set out below how we propose to allocate the police funding settlement between the different funding streams and between police force areas for 2015/16.

The Police Grant Settlement 2015/16

Table 1: Police revenue funding 2015/16

	2015-16
	£m
Total General Funding:	
<i>Comprising....</i>	
<i>Police Core Settlement</i>	4309*
<i>of which Home Office Police Main Grant</i>	4136
<i>of which National and International Capital City Grant (MOPAC)</i>	174
Former DCLG funding	2851
<i>of which formula funding</i>	2818
<i>of which Ordnance Survey</i>	2
<i>of which Legacy Council Tax Freeze</i>	31
Welsh Government	135
Total Home Office Specific Grants:	822**
<i>Comprising....</i>	
Welsh Top-up	13
Counter Terrorism Police Grant	564
Police Innovation Fund	70

Police Knowledge Fund	5
Independent Police Complaints Commission (for the transfer of integrity functions)	30
College of Policing (for direct entry schemes)	5
City of London National and International Capital City Grant	3
HMIC (for PEEL inspection regime)	9
Police Special Grant	15
Major Programmes	40
Legacy Council Tax Freeze Grants	
<i>of which 2011/12 council tax freeze grant</i>	59
<i>of which 2013/14 council tax freeze grant</i>	7
<i>of which 2014/15 council tax freeze grant</i>	3
Police Private Finance Initiatives	73
Total Government Funding***	8190
% cash change in Total Government Funding****	-3.5%
% real change in Total Government Funding	-4.9%

* **Rounded to the nearest £m

***The police will also separately receive £434.4m in Local Council Tax Support Grant. This will be paid by the Home Office.

**** This is the difference in total central Government funding to the police compared to 2014/15. The reduction in core Government funding (i.e. funding that is damped) is 5.1%.

Provisional allocations of these grants (excluding Counter Terrorism Police Grant) for each force area in England and Wales for 2015/16 are set out in Table 3.

Counter-terrorism

I will continue to allocate specific funding for Counter Terrorism Policing and have provided ring-fenced funding for this throughout the 2010 Spending Review period to ensure that critical national counter terrorism capabilities are maintained. We have allocated at least £564m to support counter-terrorism policing in 2015/16.

Police and Crime Commissioners will receive full counter-terrorism funding allocations in the New Year. For security reasons these allocations will not be available in the public domain.

Pre-existing funding streams

Police Innovation Fund

I will continue to promote innovation, collaboration and improved efficiency by allocating £70m to the Police Innovation Fund for 2015/16. In its first two years, this Fund has supported a broad spectrum of activity, including projects to enhance collaboration across the emergency services

and with other public services; improve digital working within and between forces; and introduce new means by which the public can make contact with their forces. We have also decided to allocate £5m to the establishment of a Police Knowledge Fund. Further details will be provided in due course.

Independent Police Complaints Commission (IPCC)

This is the second year of funding for the expansion of the IPCC to investigate all serious and sensitive allegations involving the police. In 2014/15 the IPCC has expanded its infrastructure, including doubling its numbers of investigations staff, and is on course to start almost twice the number of cases compared to last year. In 2015/16 I am providing £30m from the police settlement which will allow the IPCC to focus on delivering significantly more independent investigations as the new investigations staff take up post. I will also provide £4.5m from the wider Home Office budget to cover capital investment costs.

Her Majesty's Inspectorate of Constabulary (HMIC)

We will provide £9.4m to HMIC to continue its programme of thematic inspections and more wide-ranging PEEL inspections. The PEEL assessments represent a radical shift in how police forces are held to account by enabling the public to see for the first time how well their force is performing when it comes to cutting crime, providing a service that is fair and providing value for money. They give the public a clear, independent view of the quality of policing in their local area.

College of Policing

£4.6m will be given to the College of Policing to attract, select and train exceptional people who have the potential to become senior leaders in policing. This will widen the talent pool from which police leaders can be drawn, open up police culture to new influences and foster an environment where challenge and innovation are welcome.

National and International Capital City Grant

This year, we will provide £2.8m of funding to the City of London Police in respect of their responsibilities for policing the Capital. This follows an HMIC review of their detailed business case.

New funding streams

Major Programmes

After consideration, we have decided to provide £40m from the police settlement to support the continuing development of the Emergency Services Mobile Communications Programme, Home Office Biometrics and the National Police Data Programme. These major programmes are critical for the police as they will ensure future communications and data capability, and are designed to deliver significant savings in the future.

Police Special Grant

We have decided to provide £15m from the police settlement for the Police Special Grant contingency fund, which supports police forces facing unplanned or unexpected additional pressures which might otherwise place them at financial risk.

Other funding

Council Tax referendum principles

The Communities Secretary, in consultation with the Home Secretary, will in due course give an indication of the council tax referendum principles he is minded to propose for local authorities in England in 2015/16. After considering any representations, he will set out the final principles in a Report to the House and seek approval for these in parallel with the Final Local Government

Finance Report. Council tax in Wales is the responsibility of Welsh Ministers.

Legacy Council Tax Grants

In 2015/16 we will provide Council Tax Freeze Grant to Police and Crime Commissioners in England relating to the 2014/15 council tax freeze scheme. We will continue to provide Council Tax Freeze Grant relating to the 2011/12 and 2013/14 schemes and Local Council Tax Support (LCTS) funding previously paid to Police and Crime Commissioners in England by DCLG. This will total £503m in 2015/16. The Common Council of the City of London and the Greater London Authority (on behalf of the Mayor's Office for Policing and Crime) will also receive Council Tax Freeze Grant relating to the 2011/12 freeze grant scheme. The Greater London Authority will also receive an amount for the 2013/14 and 2014/15 schemes. These sums will continue to be paid from outside of the police funding settlement by DCLG. This will also be the case for any future Council Tax Freeze Grants.

Police Capital

As in previous years, a portion of capital will be reallocated in 2015/16 to fund the National Police Air Service. I will consider whether a further reallocation is required to support the Communications Capabilities Development (CCD) and Emergency Services Mobile Communications (ESMCP) programmes. Indicative figures, excluding a reallocation for CCD, are set out in Table 2.

I still intend to allocate the majority of capital funding directly to Local Policing Bodies. Like last year all Local Policing Bodies will receive the same percentage change in Capital Grant. I will also continue to maintain a capital contingency.

Table 2: Division of police capital between funding streams

2015/16 Police Capital	£m
Police Capital Grant	109.5
Police Special Capital	1
NPAS	10.4
Total	120.9

Table 3: Provisional revenue allocations for England and Wales 2015/16

Local Policing Body	2015/16			Ex-DCLG Formula Funding	Legacy Council Tax Grants (total from HO)
	HO Core (incl Rule 1)	Welsh Top-up	Welsh Government		
	£m				
Avon & Somerset	105.6	-	-	56.8	14.7
Bedfordshire	40.6	-	-	23.5	4.6
Cambridgeshire	48.8	-	-	24.5	6.0
Cheshire	61.8	-	-	45.0	8.3

City of London	18.5	-	-	33.8	0.1
Cleveland	46.4	-	-	38.8	7.7
Cumbria	28.9	-	-	31.0	4.8
Derbyshire	62.5	-	-	37.9	8.7
Devon & Cornwall	103.3	-	-	63.5	15.5
Dorset	41.5	-	-	17.4	7.3
Durham	43.0	-	-	37.2	6.1
Dyfed-Powys	31.4	6.1	12.8	0.0	-
Essex	103.4	-	-	56.3	13.1
Gloucestershire	34.6	-	-	19.6	5.6
Greater London Authority	1040.1	-	-	754.1	119.7
Greater Manchester	227.9	-	-	182.4	24.5
Gwent	43.2	-	29.7	0.0	-
Hampshire	120.7	-	-	63.5	12.9
Hertfordshire	71.8	-	-	36.6	9.5
Humberside	67.6	-	-	46.8	10.0
Kent	106.9	-	-	67.0	13.3
Lancashire	101.1	-	-	79.6	12.8
Leicestershire	65.7	-	-	39.9	8.9
Lincolnshire	38.6	-	-	20.4	6.8
Merseyside	123.2	-	-	113.5	15.6
Norfolk	50.5	-	-	28.9	9.3
North Wales	45.4	6.5	21.3	0.0	-
North Yorkshire	41.9	-	-	27.2	7.9
Northamptonshire	43.4	-	-	24.3	6.6
Northumbria	110.8	-	-	108.0	8.2

Nottinghamshire	78.4	-	-	48.4	9.7
South Wales	89.3	-	71.2	0.0	-
South Yorkshire	101.2	-	-	77.9	10.9
Staffordshire	66.9	-	-	40.2	11.3
Suffolk	41.0	-	-	23.0	6.8
Surrey	62.5	-	-	29.4	9.2
Sussex	98.4	-	-	54.2	13.2
Thames Valley	142.0	-	-	74.3	15.3
Warwickshire	31.2	-	-	17.5	5.2
West Mercia	66.7	-	-	43.6	12.0
West Midlands	252.3	-	-	181.3	19.0
West Yorkshire	172.5	-	-	130.1	16.7
Wiltshire	37.7	-	-	20.8	5.2
Total England & Wales	4309.2	12.5	135.0	2818.3	503.2