

WRITTEN MINISTERIAL STATEMENT ON PROVISIONAL POLICE FUNDING ANNOUNCEMENT

Wednesday, 19th December 2012

HOME OFFICE

Police Grant Report England and Wales 2013/14

The Minister for Policing and Criminal Justice (Damian Green): I have today placed in the Library my proposals for the aggregate amount of grant to Local Policing Bodies in England and Wales for 2013/14, for the approval of the House.

Today the Department for Communities and Local Government (DCLG) will be publishing proposals for the distribution of Formula Grant to English local authorities for 2013/14. Funding to the police that in previous years was paid via the Local Government Finance Report issued by DCLG will now be paid via the Home Office Police Grant Report. This change reflects the fact that the police are outside the Business Rates Retention Scheme, and confirms my intention that this funding for the police will be permanently transferred to the Home Office in the next Spending Review.

The Welsh Government will shortly be setting out its proposals for the allocation of funding in 2013/14 for Local Policing Bodies in Wales.

Earlier this month, the Chancellor announced further reductions to Departmental budgets for 2013/14 and 2014/15 in his Autumn Statement. However I have protected the police from these reductions in 2013/14. In addition, in 2013/14, I have also protected the police from reductions announced by the Chancellor in November 2011 relating to public sector pay restraint. Without this protection on pay restraint, central Government funding for the police would have been reduced by £66m in 2013/14. As a result of both these decisions, the police will receive the same amount of total Government funding in 2013/14 that was agreed at the October 2010 Spending Review.

Following the Chancellor's recent Autumn Statement, I have decided to defer publication of police funding allocations for 2014/15 in order to fully scrutinise all Home Office budgets.

I have decided to apply damping so that every police force area in 2013/14 will face the same percentage reduction in core central Government funding (1.6 per cent cash). I intend to apply damping in the same way in 2014/15. In making this decision, the Home Secretary and I have carefully considered responses to the recent informal consultation on damping. Many of the responses stressed the need to undertake a full review of the Police Allocation Formula before changing damping policy given that damping and the Formula are inextricably linked. That is why we have decided to continue current damping arrangements and why the Home Secretary will be commissioning a fundamental review of the Formula to begin once Police and Crime Commissioners (PCCs) are established in their roles and able to engage fully in the review

process. Determining how funding should be allocated to the police in the future is a complex and important matter which requires careful consideration and will take time. I am also aware that a continuation of existing funding arrangements is the basis on which many Police and Crime Commissioners and police forces are making their financial plans.

We have embarked on the biggest reforms to the policing landscape for 50 years. And 2012 is the year when these reforms start to come together at both the local level with the introduction of Police and Crime Commissioners and at the national level, with the National Crime Agency. In November 2012, we welcomed 41 directly elected Police and Crime Commissioners. These directly elected individuals will have the statutory duty to deliver an efficient and effective police force, which clearly demonstrates value for money and, above all, cut crime.

Police reform is working. Thanks to the hard work of officers up and down the country, day in and day out, crime is falling even though budgets are reducing. As Her Majesty's Inspectorate of Constabulary has made clear, police forces have risen to the existing financial challenge, cutting spending while largely maintaining the service they provide. The proportion of officers on the frontline is increasing, crime continues to fall, victim satisfaction is up and the response to emergency calls is being maintained.

As my decisions on police funding in 2013/14 demonstrate, we are committed to ensuring that the police continue to have the resources they need to carry out their important work. I recognise that the funding settlement remains challenging, but I am confident that PCCs and forces will continue to drive out waste and maintain the level of service that the public expect.

The Police Grant Settlement 2013/14

I have set out below how I propose to allocate the police funding settlement between the different funding streams in 2013/14.

Table 1: Police revenue funding - proposed figures for 2013/14

	2013/14 £m
Total General Funding: <i>Comprising....</i>	
<i>Police Core Settlement</i>	4725
of which Home Office Police Main Grant	4540
of which National, International and Capital City Grant (MOPAC only)	185
DCLG	3144
<i>of which formula funding</i>	3067
<i>of which council tax (11/12) freeze grant</i>	75
<i>of which Ordnance Survey</i>	2
Welsh Government	148
Total Home Office Specific Grants: <i>Comprising....</i>	
Welsh Top-up	13
Counter Terrorism Specific Grant	563
NPoCC	1
PFI Grant	60
Total Government Funding	8660*
% cash change in Total Government Funding	-1.9%**

*Includes a small amount of contingency funding which is not shown in the table.

** This is the difference in total central Government funding to the police compared to 2012/13 which included additional funding relating to the PCC elections. The reduction in core Government funding (i.e. funding that is damped) is 1.6%.

Provisional allocations of these grants (with the exception of Counter Terrorism funding) for each force area in England and Wales for 2013/14 are set out in Table 3.

Counter Terrorism

I will continue to allocate specific funding for Counter Terrorism Policing and have provided a ring-fenced budget for this throughout the Spending Review period to ensure that critical national counter terrorism capabilities are maintained. We have allocated at least £563m to support counter-terrorism policing in 2013/14.

PCCs and forces will receive their specific counter terrorism allocations in the new year. For security reasons, these allocations will not be available in the public domain.

National Police Coordination Centre

From 2013/14 I will be providing funding from the police settlement for the National Police Coordination Centre (NPoCC) which is being established following a review led by Her Majesty's Inspectorate of Constabulary (HMIC) into the August 2011 disorder. NPoCC will have three main functions including assessing national capability and capacity in relation to the Strategic Policing Requirement and Police National Requirements; co-ordinating a continuous testing and exercising regime to ensure effective mobilisation of national assets in a crisis; and brokering mutual aid in a crisis.

Private Finance Initiatives Grant

Specific funding will be given to cover the costs of Police Private Finance Initiative projects which are currently operational. This funding was added to the police settlement for this specific purpose. The Home Office will also support the two police PFI projects that are under construction, and which are not yet operational.

Council tax freeze

Funding will be paid in each of the four years of the Spending Review period to all English Local Policing Bodies who froze the police precept component of council tax in 2011/12. This funding is worth £75m. Funding for the 2012/13 council tax freeze scheme has been paid from outside the police funding settlement. This will also be the case for future council tax freeze schemes.

Council tax referendums

The Communities Secretary, in consultation with the Home Secretary, will today give an indication of the council tax excessiveness principles he is minded to propose for 2013/14. 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 report on the Local Government Finance Settlement. In Wales, council tax capping is the responsibility of Welsh Ministers.

Neighbourhood Policing Fund

From 2013/14 the Neighbourhood Policing Fund (NPF) has been consolidated into Police Main Grant. The baseline against which damping has been calculated has been adjusted to ensure that final allocations reflect the fact that they had previously been allocated on a different basis to Police Main Grant. This minimises the impact on overall funding allocations to police force areas.

Other funding

Community Safety Fund

The vast majority of drugs, crime and community safety funding that the Home Office currently provides to a range of partners will cease at the end of this financial year. Instead, PCCs will receive funding from a transitional and un-ring fenced Community Safety Fund worth £90m. The funding has been allocated according to the current allocation of those funding streams which are ending. Force level allocations are set out in Table 3. This funding will be rolled into Police Main Grant in 2014/15, and the baseline prior to damping being applied will be adjusted accordingly.

Police Capital

Capital allocations will be as announced in the Written Ministerial Statement laid in January 2012. A portion of capital will continue to be top sliced to fund the National Police Air Service in 2013/14 and 2014/15. These proposed figures are set out in Table 2. The National Police Air Service began operations on 1 October in 11 police areas in the east and south east of England. Further forces are scheduled to join during 2013/14.

Table 2: Proposed division of police capital between funding streams

	2013/14	2014/15
	£m	£m
Capital Grant	106	109
National Police Air Service	13	10
Special Grant Capital	1	1
Total	120	120

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. These proposed allocations (set out at Table 4) are the same as those announced in the Written Ministerial Statement laid in January 2012.

Royal Parks Policing

Funding in respect of policing the Royal Parks will continue to be provided by the Home Office to the Greater London Authority on behalf of the Mayor's Office for Policing and Crime. In 2013/14 a total of £6.9m will be provided from outside of the police funding settlement.

Table 3: Provisional revenue allocations for England and Wales 2013/14

Local Policing Body	2013/14
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	HO Core	CSF	Welsh Top-up	WG	DCLG
£m					
Avon & Somerset	115.8	2.4	0	0.0	61.5
Bedfordshire	44.5	0.9	0	0.0	25.5
Cambridgeshire	53.7	0.9	0	0.0	26.5
Cheshire	68.4	0.8	0	0.0	49.0
City of London	20.6	0.1	0	0.0	37.2
Cleveland	50.2	1.7	0	0.0	42.3
Cumbria	31.9	0.4	0	0.0	33.9
Derbyshire	68.9	1.0	0	0.0	41.2
Devon & Cornwall	114.0	1.6	0	0.0	68.9
Dorset	45.9	0.6	0	0.0	18.8
Durham	47.3	0.8	0	0.0	40.6
Dyfed-Powys	33.9	0.9	6.0	15.0	0
Essex	114.4	1.2	0	0.0	60.9
Gloucestershire	38.2	0.5	0	0.0	21.3
Greater London Authority	1138.4	18.4	0	0.0	821.4
Greater Manchester	248.3	6.8	0	0.0	199.0
Gwent	47.1	1.4	0	32.3	0
Hampshire	133.6	1.5	0	0.0	68.8
Hertfordshire	79.5	0.8	0	0.0	39.6
Humberside	73.4	2.3	0	0.0	51.0
Kent	118.3	1.3	0	0.0	72.8
Lancashire	111.4	1.8	0	0.0	86.8
Leicestershire	71.9	1.6	0	0.0	43.3
Lincolnshire	42.6	0.6	0	0.0	22.1
Merseyside	134.7	3.1	0	0.0	124.0
Norfolk	55.9	0.7	0	0.0	31.4
North Wales	48.8	1.4	6.9	23.9	0
North Yorkshire	46.3	0.6	0	0.0	29.6
Northamptonshire	47.7	0.9	0	0.0	26.4
Northumbria	121.2	2.8	0	0.0	118.1
Nottinghamshire	84.9	2.8	0	0.0	52.6
South Wales	97.6	3.5	0	76.6	0
South Yorkshire	110.0	3.2	0	0.0	84.9
Staffordshire	73.8	1.0	0	0.0	43.6
Suffolk	45.3	0.6	0	0.0	24.9
Surrey	69.3	0.7	0	0.0	31.7
Sussex	108.9	1.2	0	0.0	58.7
Thames Valley	155.9	3.1	0	0.0	80.4
Warwickshire	34.5	0.4	0	0.0	19.0
West Mercia	73.7	1.0	0	0.0	47.4
West Midlands	275.3	7.0	0	0.0	197.5
West Yorkshire	187.8	5.3	0	0.0	141.7
Wiltshire	41.7	0.5	0	0.0	22.5
Total England & Wales	4725.4	90.0	12.8	147.8	3067.2

Table 4: Proposed and indicative capital allocations for England and Wales

Local Policing Body	2013/14	2014/15
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	£m	
Avon and Somerset	2.3	2.4
Bedfordshire	1.0	1.0
Cambridgeshire	1.2	1.2
Cheshire	1.5	1.5
City of London	0.8	0.9
Cleveland	1.2	1.2
Cumbria	0.8	0.9
Derbyshire	1.4	1.5
Devon and Cornwall	2.5	2.6
Dorset	1.0	1.0
Durham	1.1	1.2
Dyfed-Powys	0.7	0.8
Essex	2.2	2.2
Gloucestershire	0.9	0.9
Greater Manchester	5.4	5.5
Gwent	1.0	1.1
Hampshire	2.7	2.8
Hertfordshire	1.4	1.4
Humberside	1.6	1.7
Kent	2.5	2.5
Lancashire	2.5	2.6
Leicestershire	1.6	1.6
Lincolnshire	0.9	0.9
Merseyside	3.1	3.2
Metropolitan	28.1	29.0
Norfolk	1.2	1.3
North Wales	1.1	1.1
North Yorkshire	1.0	1.0
Northamptonshire	1.0	1.0
Northumbria	2.9	3.0
Nottinghamshire	1.7	1.8
South Wales	2.3	2.3
South Yorkshire	2.5	2.6
Staffordshire	1.6	1.6
Suffolk	1.0	1.0
Surrey	1.4	1.5
Sussex	2.1	2.2
Thames Valley	3.4	3.5
Warwickshire	1.0	1.0
West Mercia	1.7	1.7
West Midlands	5.7	5.9
West Yorkshire	4.2	4.3
Wiltshire	0.9	1.0
Total England & Wales	106.0	109.3