

HOME OFFICE

Provisional Police Funding Announcement

The Minister of State for Policing, Criminal Justice and Victims (Damian Green): I have today placed in the Library the Home Office's proposals for the aggregate amount of grant to be paid to Local Policing Bodies in England and Wales for 2014/15, for the approval of the House. Copies are also available in the Vote Office.

Today the Department for Communities and Local Government (DCLG) will be publishing proposals for the distribution of funding to English local authorities for 2014/15. Council Tax Freeze Grant relating to the 2011/12 and 2013/14 schemes and Local Council Tax Support (LCTS) Grant previously paid to Police and Crime Commissioners (PCCs) in England by DCLG, will in 2014/15 be paid to PCCs by the Home Office. This is a result of our ambition to simplify police funding arrangements.

The Welsh Government will shortly be setting out its proposals for the allocation of funding in 2014/15 for Local Policing Bodies in Wales.

Earlier this month, the Chancellor announced further reductions to Departmental budgets for 2014/15 and 2015/16 in his Autumn Statement. For 2014/15, the Home Secretary has decided that Central Government Revenue funding to the police will be protected from further reductions. This decision means that the overall police funding settlement for 2014/15 will remain at £8.5bn, as announced at the time of the Spending Round.

Decisions on the impact of the Chancellor's Autumn Statement on police funding for 2015/16 will be made at a later date after careful consideration of all Home Office budgets. This decision will take time and we have therefore decided not to publish indicative allocations for 2015/16 in this Statement.

In my Statement accompanying the Provisional Police Grant Report 2013/14, I announced that current damping arrangements would continue in 2014/15. This means that every police force area will face the same percentage reduction in core central Government funding.

The police reforms we have introduced have seen the biggest change to the policing landscape in a generation. These reforms are working and crime is falling. We have put policing back in the hands of the public through directly elected Police and Crime Commissioners. We have given Chief Constables greater operational independence by scrapping national targets. We are improving police skills through the new College of Policing. We have made sure we reward skills, not just time served, through the Winsor reforms to pay and conditions. And we have established the National Crime Agency to lead the fight against serious and organised crime.

These are the most radical reforms in the history of policing. And as Her Majesty's Inspectorate of Constabulary's July 2013 Policing in Austerity Report states, the police continue to rise to the financial challenge. The proportion of officers on the frontline is increasing, crime continues to fall and victim satisfaction is up.

In 2014/15 we have decided to establish a Police Innovation Fund worth £50 million, funded through a top-slice from Police Main Grant, which builds on the recently announced £20 million Precursor Fund for 2013/14. The Police Innovation Fund will provide Police and Crime Commissioners with the opportunity to submit bids on initiatives that will promote collaboration, including with other forces, emergency services, criminal justice agencies and local government, and improve their use of digital working and technology in order to deliver sustainable improvements and efficiencies in the way their police force operates in future.

The Home Secretary has also decided to allocate funding to other specific areas where there is a national policing interest. We have already announced that the Independent Police Complaints Commission will be expanded in order that it is able to deal with all serious and sensitive cases involving the police. In 2014/15 we are providing an additional £18m from the police settlement to build up the resource and capability of the IPCC to begin taking on additional cases from next year. We are also providing funding of up to £0.8m from the wider Home Office budget in 2013/14 to help with transition costs as well as a further £10m in capital in 2014/15.

In 2014/15 the Home Secretary has also decided to provide HMIC with £9.4m from the police settlement to fund a new annual programme of all force inspections. This will enable the public to see how well their force is performing when it comes to cutting crime and providing value for money.

Our decisions on police funding in 2014/15 will provide the police with the resources they need to carry out their important work. We recognise that the funding settlement remains challenging. However as HMIC have identified, there are areas where the police can continue to make further savings without affecting the level of service to the public, for example through greater collaboration across operational and support services, through improved procurement of goods and services, and by improving productivity. The Home Secretary and I are confident that Police and Crime Commissioners will continue to deliver these efficiencies.

I have set out below how we propose to allocate the police funding settlement between the different funding streams in 2014/15.

The Police Grant Settlement 2014/15

Table 1: Police revenue funding - proposed figures for 2014/15

	2014/15 £m
Total General Funding:	
<i>Comprising....</i>	
<i>Police Core Settlement</i>	4583
<i>of which Home Office Police Main Grant</i>	4407
<i>of which National, International and Capital City Grant (MOPAC only)</i>	176
DCLG	2949
<i>of which formula funding</i>	2924
<i>of which Ordnance Survey</i>	2
<i>of which Legacy Council Tax Freeze</i>	23
Welsh Government	140
Total Home Office Specific Grants:	728
<i>Comprising....</i>	
Welsh Top-up	13
Counter Terrorism Specific Grant	564
Police Innovation Fund	50
National Police Co-ordination Centre	2
Independent Police Complaints Commission (for the transfer of integrity functions)	18
College of Policing (for direct entry schemes)	3
City of London Capital City Grant	2
HMIC for regular force inspections	9
Legacy Council Tax Freeze Grants**	
<i>of which Council Tax (11/12) Freeze Grant</i>	59
<i>of which Council Tax (13/14) Freeze Grant</i>	7
PFI	73
Total Government Funding*	8479
% cash change in Total Government Funding***	-3.30%

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

** The police will 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 2013/14 which included additional funding relating to the PCC elections. The reduction in core Government funding (i.e. funding that is subject to damping) is 4.8%.

Provisional allocations of these grants (with the exception of Counter Terrorism Police Grant) for each force area in England and Wales for 2014/15 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 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 2014/15.

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.

National Police Co-ordination Centre (NPoCC)

Funding will continue to be provided from the police settlement to the National Police Co-ordination Centre for ensuring effective mobilisation of national assets when required. It will provide a coordination facility in times of crisis, assessing national capacity and capability in relation to the Strategic and National Policing Requirements, and maintaining information on availability of specialist assets.

Independent Police Complaints Commission (IPCC)

From 2014/15 I will start providing funding from the police settlement to expand the IPCC to deal with all serious and sensitive cases involving the police. I expect it to take three years for the IPCC to reach full capacity. In 2014/15 I am providing £18m from the police settlement. This will be used to build up the resource and capability of the IPCC to begin taking on additional cases from next year. I am also providing funding of up to £0.8m from the wider Home Office budget in 2013/14 to help with transition costs as well as a further £10m in capital in 2014/15.

New Funding Streams

College of Policing

Funding will be provided to the College of Policing to commence direct entry schemes at Inspector and Superintendent level. This will cover the costs of the courses concerned and initial salaries of the officers on the courses.

City of London Police

The City of London Police will be provided with additional funds in recognition of the national and international capital city functions they carry out. My decision to provide this funding follows an assessment by Her Majesty's Inspectorate of Constabulary.

Council Tax Referendum Principles

The Communities Secretary, following consultation with the Home Secretary, will today give an indication of the council tax referendum principles he is proposing for 2014/15. 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. Council tax in Wales is the responsibility of Welsh Ministers.

Legacy Council Tax Grants

From 2014/15, I will start providing Council Tax Freeze Grant relating to the 2011/12 and 2013/14 schemes and Local Council Tax Support (LCTS) funding previously paid to PCCs in England by the Department for Communities and Local Government. This will total £500m. The Common Council of the City of London and the Greater London Authority (on behalf of the Mayor’s Office for Policing and Crime) also receive Council Tax Freeze Grant relating to the 2011/12 freeze grant scheme (the GLA also receive an amount for the 2013/14 scheme). These amounts will continue to be paid outside of the police funding settlement. This will also be the case for any future Council Tax Freeze Grants.

Her Majesty’s Inspectorate of Constabulary (HMIC)

In 2014/15 I have decided to provide HMIC with £9.4m from the police settlement to fund a new annual programme of all force inspections. This will enable the public to see how well their force is performing when it comes to cutting crime and providing value for money.

Other funding

Police Capital

As in previous years, a portion of capital will be top sliced in 2014/15 to fund the National Police Air Service. The proposed figures are set out in Table 2.

Table 2: Proposed division of police capital between funding streams

	2014/15 £m
Capital Grant	109
National Police Air Service	10
Special Grant Capital	1
Total	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 be provided by the Home Office to the Greater London Authority on behalf of the Mayor’s Office for Policing and Crime. In 2014/15 a total of £6.8m will be provided from outside the police funding settlement.

Table 3: Provisional revenue allocations for England and Wales 2014/15

Local Policing Body	2014/15				
	HO Core (incl Rule 1)	Welsh Top-up	WG	Ex-DCLG Formula Funding	Legacy Council Tax Grants (total from HO)
	£m				
Avon & Somerset	112.5	-	-	58.7	14.7
Bedfordshire	43.2	-	-	24.3	4.6
Cambridgeshire	52.0	-	-	25.3	6.0
Cheshire	65.9	-	-	46.7	7.7
City of London	19.7	-	-	35.4	0.1
Cleveland	49.4	-	-	40.3	7.7
Cumbria	30.8	-	-	32.3	4.8
Derbyshire	66.6	-	-	39.3	8.7
Devon & Cornwall	110.1	-	-	65.7	15.5
Dorset	44.2	-	-	17.9	7.3
Durham	45.8	-	-	38.7	6.1
Dyfed-Powys	33.2	6.2	13.6	0.0	-
Essex	110.1	-	-	58.1	13.1
Gloucestershire	36.8	-	-	20.3	5.6
Greater London Authority	1101.1	-	-	782.9	119.7
Greater Manchester	242.8	-	-	189.7	24.5
Gwent	46.2	-	30.7	0.0	-
Hampshire	128.6	-	-	65.6	12.9
Hertfordshire	76.5	-	-	37.7	8.9
Humberside	72.0	-	-	48.6	10.0
Kent	113.9	-	-	69.4	13.3
Lancashire	107.7	-	-	82.7	12.8
Leicestershire	70.0	-	-	41.3	8.9
Lincolnshire	41.1	-	-	21.1	6.8
Merseyside	131.2	-	-	118.2	15.6
Norfolk	53.8	-	-	29.9	9.3
North Wales	47.9	6.9	22.3	0.0	-
North Yorkshire	44.7	-	-	28.2	7.9
Northamptonshire	46.2	-	-	25.1	6.6
Northumbria	118.0	-	-	112.5	7.8
Nottinghamshire	83.5	-	-	50.1	9.7
South Wales	95.8	-	73.4	0.0	-
South Yorkshire	107.8	-	-	81.0	10.9
Staffordshire	71.2	-	-	41.6	10.7
Suffolk	43.6	-	-	23.8	6.4
Surrey	66.6	-	-	30.3	9.2
Sussex	104.8	-	-	56.0	13.2
Thames Valley	151.3	-	-	76.7	15.3
Warwickshire	33.2	-	-	18.1	5.2
West Mercia	71.1	-	-	45.2	12.0
West Midlands	268.7	-	-	188.2	19.0
West Yorkshire	183.8	-	-	135.1	16.7
Wiltshire	40.2	-	-	21.5	5.2
Total England & Wales	4583.3	13.1	140.0	2923.5	500.5

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

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