



Home Office

Home Secretary

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Rt Hon Yvette Cooper MP
House of Commons
London
SW1A 0AA

13 December 2018

Dear Yvette,

I will today place in the Library my provisional proposals for the aggregate amount of grant to local policing bodies in England and Wales for 2019/20. Copies will also be available in the Vote Office.

The Welsh Government is also setting out today its proposals for the allocation of Welsh Government funding in 2019/20 for Police and Crime Commissioners in Wales.

As is usual, these provisional proposals will now be subject to consultation, before final proposals are brought forward for the approval of the House early next year. The Secretary of State for Housing, Communities and Local Government is announcing the council tax referendum principles for all local authorities in England in 2019/20, including those applicable to Police and Crime Commissioners. 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.

Provisional Settlement for 2019/20

The first role of government is to protect the public. We will always ensure that the police have the powers and resources needed to keep our citizens and communities safe.

We know that the police need the right capabilities and resources to respond to the changing nature of crime. This financial year, we provided forces with a £460m increase in overall funding, including increased funding to tackle counter-terrorism and £280m for local policing through the police precept. Most Police and Crime Commissioners set out plans to use this funding to either protect or enhance frontline policing.

Last year, we indicated we would provide a similar funding settlement in 2019/20, if the police made progress in delivering further commercial savings, used mobile digital working and increased financial reserves transparency. The police have delivered on these conditions and are on track to deliver £120m in commercial and

back office savings by 2020/21 and move towards a new commercial operating model. All forces have published reserves strategies using the guidance we published in January.

We have reviewed the demand on the police again. It is clear that demand pressures on the police have risen this year as a result of changing crime. There has been a major increase in the reporting of high harm, previously hidden crimes such as child sexual exploitation and modern slavery. The challenge from serious and organised crime networks is growing. Through the Serious Violence Strategy, we are bearing down on the worst spike in serious violence and knife crime that we have seen in a decade by combining support for more robust and targeted policing with effective long-term investment in prevention and earlier intervention. And we need to recognise the work done by the police to combat the evolving threat from terrorism. The Government is determined to support the police to meet the demand across counter-terrorism, serious and organised crime and local policing.

As the Chancellor announced at the Budget, funding for counter-terrorism policing will increase by £160m compared to the 2015 Spending Review settlement. This is a year on year increase in counter-terrorism police funding of £59m (8%) compared to 2018/19. This increases the counter-terrorism budget to £816m, including £24m for an uplift in armed policing from the Police Transformation Fund. This is a significant additional investment in the vital work of counter-terrorism police officers across the country. PCCs will be notified of force allocations separately. These will not be made public for security reasons.

The Government has prioritised serious and organised crime (SOC) within our funding for national priorities in 2019/20. SOC is a growing international problem. Criminal networks are increasingly resilient and adaptable, exploiting technology and becoming involved in almost every type of crime. The new SOC Strategy, published on 1 November, sets out the Government's approach to tackling the rising threat from SOC. Police forces, alongside the NCA and Regional Organised Crime Units, play an essential role in delivering the strategy by tackling the SOC threats that harm our communities and the individuals who live and work in them. We will invest £90m in much-needed SOC capabilities at national, regional and local levels, with a significant proportion allocated directly to police forces for investment in SOC capabilities. We will step up our efforts against a range of SOC threats including economic crime, child sexual exploitation, fraud and cyber-crime.

We will also help forces to both meet additional demand and manage financial pressures. In total, we will enable an increase in funding for the police system of up to £970m, the biggest increase since 2010. This includes increases in Government grant funding, full use of precept flexibility, funding to support pensions costs, and increased national funding to meet the threats from counter-terrorism and serious and organised crime.

We are increasing the general Government grants to Police and Crime Commissioners by £161m (including £90m additional funding from the Exchequer) to a total of £7.8bn, including a £146m increase in core grant funding. Each PCC will see their Government grant funding protected in real terms. Specific grants to the Metropolitan Police Service and City of London Police will increase by £14m; an

affordable increase that will better reflect the additional costs of policing London, at a time when the Metropolitan Police Service faces specific financial pressures, and the City of London Police does not benefit from additional Council Tax precept flexibility.

Following the announcement at the Budget that the Government would allocate funding from the Reserve to pay part of the costs of increases in public sector pensions contributions in 2019/20, we are allocating a further £153m of specific grant funding to support the policing system with increases in pensions contributions (including additional funding for the counter-terrorism police network and the National Crime Agency). This funding will be distributed according to a methodology developed with police leaders.

We are also proposing to double the precept flexibility for locally accountable PCCs. Last year, we provided an additional £12 precept flexibility. This year, we propose giving PCCs the freedom to ask for an additional £2 a month in 2019/20, to increase their Band D precept by £24 in 2019/20 without the need to call a local referendum.

It will be for locally accountable PCCs to take decisions on local precept and explain to their electorate how this additional investment will help deliver a better police service. We cannot say today how much the additional precept flexibility will raise. Last year, the vast majority of PCCs used their flexibility. If all PCCs use their flexibility in full in 2019/20, based on the latest Office of Budget Responsibility tax base forecasts, it will mean around an additional £509m public investment in our police system.

Taken together, this substantial increase in police funding will enable forces to continue recruiting, fill crucial capability gaps such as in detectives, meet their genuine financial pressures, drive through efficiency programmes, and improve their effectiveness by preventing crime and delivering better outcomes for victims of crime.

In addition to these increases in direct funding, we will also support PCCs and forces through continued investment of £175m in the Police Transformation Fund (PTF) and £495m to improve police technology, as we did last year. Our priorities in the PTF are to support sector led initiatives that will build important national capabilities delivered to forces through the major national police led programmes, which include a Single Online Home (Policing website) to engage more effectively with the public, and new ways of working through productivity and cyber-security tools supporting collaboration. The Home Office technology programmes will, for example, replace and upgrade end of life critical infrastructure such as the Airwave communication system with the 4G Emergency Services Network. The Law Enforcement Data Service will replace the existing Police National Computer and Police National Database with an integrated service to provide intelligence to law enforcement and its partners. I set out in an annex to this letter further information regarding police funding in 2019/20, namely tables illustrating how we propose to allocate the police funding settlement between the different funding streams and between Police and Crime Commissioners for 2019/20.

This investment will support four key pillars of police effectiveness. Firstly, increasing capacity, including investing in Police Now to attract excellent new talent, while

introducing technology that saves time – so officers spend longer on the frontline. Secondly, crime prevention, including funding for innovative new techniques. Thirdly, enhancing the support we offer to hard-working frontline police officers and staff, with the new national welfare service. And finally, through ensuring system leaders provide national direction on performance, including through working more smartly, with the digitally enabled modern tools to police effectively.

This settlement sets out four priority areas to drive efficiency, productivity and effectiveness next year to drive improvements in services to the public.

1. On behalf of the taxpayer, the Government will expect to see continued efficiency savings in 2019/20 through collective procurement and shared services. We need to see national approaches to procuring forensics, vehicles and basic equipment such as helmets, developed over the coming year. And we will be setting an expectation that every force contributes substantially to procurement savings; we will work with the police to agree the right force level objectives for 2019/20 and 2020/21 in the coming months. All forces should also contribute to the development of a new commercial operating model over 2019/20.
2. We will expect major progress to resolve the challenges in investigative resource identified by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services, including recruiting more detectives to tackle the shortfall. We will work with the College of Policing and the National Police Chiefs' Council to support forces to make this change by accelerating their action plan on investigations, making full use of the innovation offered by Police Now.
3. Forces will have to continue improving productivity, including through smarter use of data, and digital capabilities including mobile working, with an ambition to deliver £50m of productivity gains in 2019/20.
4. Furthermore, we expect forces to maintain a SOC response that spans the identification and management of local threats as well as support for national and regional priorities. This response should be built around the disruption of local SOC threats alongside SOC prevention, safeguarding, partnerships and community engagement.

This settlement is the last before the next Spending Review, which will set long term police budgets and look at how resources are allocated fairly across police forces. The Home Office is grateful to the police for the good work they are doing to build the evidence base to support that work, and we will also want to see evidence that this year's investment is being well spent. In addition to working together to understand demand, we will be working with the police to present an ambitious plan to drive improved efficiency, productivity and effectiveness through the next Spending Review period.

I have made clear that the Government's priorities are an increasing emphasis on crime prevention, while maintaining a focus on catching the perpetrators of crime; improved outcomes for victims of crime; better support for front line officers; and a

step change in the effectiveness of how data and digital technology are used to build a smarter police system and support a more effective service to the public.

The Government pays tribute to our police forces and police staff around the country for their exceptional attitude, hard work and bravery.

I am arranging for copies of this letter and the attached information to be placed in the libraries of both Houses.

A handwritten signature in black ink, appearing to read 'S. Javid', with a small comma at the end.

Rt Hon Sajid Javid MP

Home Secretary

TABLES

Table 1: Provisional change in total resource funding for England and Wales 2019/20, compared to 2018/19

PCC	Total resource funding including pensions grant in 2019/20*		
	2018/19	2019/20	Cash increase
	£m		
Avon & Somerset	281.7	302.9	21.2
Bedfordshire	104.6	112.7	8.0
Cambridgeshire	134.0	144.5	10.5
Cheshire	177.9	192.0	14.2
City of London	57.0	61.0	4.0
Cleveland	125.4	132.7	7.2
Cumbria	102.9	110.0	7.1
Derbyshire	167.2	179.6	12.4
Devon & Cornwall	291.3	314.1	22.8
Dorset	124.7	135.0	10.4
Durham	115.6	123.1	7.5
Dyfed-Powys	99.1	107.2	8.1
Essex	275.9	298.8	23.0
Gloucestershire	110.3	118.8	8.5
Greater London Authority	2,560.1	2,732.1	172.0
Greater Manchester	556.1	590.8	34.7
Gwent	123.5	132.0	8.5
Hampshire	314.2	339.2	25.0
Hertfordshire	188.9	204.9	16.0
Humberside	175.3	186.8	11.5
Kent	288.8	312.4	23.6
Lancashire	266.8	285.2	18.4
Leicestershire	175.5	188.2	12.7
Lincolnshire	113.9	122.4	8.6
Merseyside	312.6	330.9	18.2
Norfolk	153.6	164.8	11.2
North Wales	146.5	157.2	10.7
North Yorkshire	144.8	155.9	11.1
Northamptonshire	126.0	135.3	9.2
Northumbria	265.3	283.3	18.0
Nottinghamshire	195.1	208.2	13.1
South Wales	271.0	290.1	19.1
South Yorkshire	245.8	261.4	15.6
Staffordshire	182.7	195.9	13.3
Suffolk	116.2	125.3	9.2
Surrey	217.0	234.6	17.6
Sussex	264.9	287.2	22.3
Thames Valley	389.7	422.4	32.7
Warwickshire	94.1	101.5	7.4
West Mercia	205.8	221.9	16.2
West Midlands	534.3	568.6	34.2
West Yorkshire	418.1	446.6	28.5
Wiltshire	109.2	118.3	9.1
Total England & Wales	11,323.4	12,136.0	812.5

* Total resource funding consists of core grant funding, National and International Capital City (NICC) grants, Legacy Council Tax grants, Precept grant, Pensions grant and police precept. Allocations of individual grant streams are set out in tables 3 and 4. 2019/20 precept figures are calculated by assuming that PCCs in England and Wales increase their precept Band D level by £24, and Office for Budget Responsibility forecast tax base increases.

The overall annual increase in total police funding is up to £970m, which includes a £59m increase in counter-terrorism police funding (including firearms uplift), an £89m increase in funding for national priorities excluding firearms uplift (including £90m SOC funding), and £10m of pensions grant funding for counter-terrorism policing and the National Crime Agency. Figures may not sum due to rounding.

Table 2: Police resource funding 2019/20 (excluding specific counter-terrorism funding)

Police funding	2019/20
	£m
Overall police funding (Government funding and precept) (a+d)	13,165
Government funding (a)	9,018
o/w Reallocations and adjustments (b)	1,029
PFI	73
Police technology programmes	495
Arms length bodies	63
Top-ups to NCA and ROCUs	56
Serious and Organised Crime Strategy implementation	90
Police transformation fund	175
Special Grant	73
Pre-charge bail	4
o/w Government funding to PCCs¹ (c=a-b)	7,989
Core grant funding ²	7,108
Cash percentage change in core grant funding from 2018/19	2.1%
Council tax grants ³	548
National and International Capital City (NICC) grants	190
Pensions grant ⁴	143
Precept⁵ (d)	4,147
Total funding to PCCs⁶ (e=c+d)	12,136

¹ Government funding to PCCs consists of core grant funding, National and International Capital City (NICC) grants, Legacy Council Tax grants, Precept grant and Pensions grant.

² Core grant funding consists of Home Office main grant, former DCLG formula funding, Welsh Government funding and Welsh Top-Up grant.

³ Council tax grants consists of Legacy Council Tax grants, including those accessed from the Ministry for Housing, Communities and Local Government (MHCLG), and Precept grant.

⁴ Pensions grant payable to PCCs. Counter-terrorism policing and the National Crime Agency are receiving additional Pensions grants totalling £10m, which are not included in this table.

⁵ 2019/20 precept figures are calculated by assuming that PCCs in England and Wales increase their precept Band D level by £24, and Office for Budget Responsibility forecast tax base increases.

⁶ Total funding to PCCs consists of Government funding to PCCs and precept.

Figures may not sum due to rounding

Table 3: Resource allocations for England and Wales 2019/20*

PCC	2019/20				
	HO Core (incl. Rule 1)	Welsh Top- up	Welsh Government	Ex-DCLG Formula Funding	Legacy Council Tax Grants (total from HO)
	£m				
Avon & Somerset	105.8	-	-	56.8	14.7
Bedfordshire	40.6	-	-	23.5	4.6
Cambridgeshire	48.9	-	-	24.5	6.5
Cheshire	61.9	-	-	45.0	8.3
City of London	18.5	-	-	33.8	0.1
Cleveland	46.5	-	-	38.8	7.7
Cumbria	28.9	-	-	31.0	4.8
Derbyshire	62.6	-	-	37.9	8.7
Devon & Cornwall	103.5	-	-	63.5	15.5
Dorset	41.5	-	-	17.4	7.9
Durham	43.0	-	-	37.2	6.1
Dyfed-Powys	34.2	2.8	13.4	-	-
Essex	103.6	-	-	56.2	13.1
Gloucestershire	34.6	-	-	19.6	6.1
Greater London Authority	867.9	-	-	754.2	119.7
Greater Manchester	228.3	-	-	182.4	25.7
Gwent	41.3	-	31.7	-	-
Hampshire	120.9	-	-	63.5	12.9
Hertfordshire	71.9	-	-	36.6	10.2
Humberside	67.7	-	-	46.8	10.0
Kent	107.1	-	-	67.0	13.3
Lancashire	101.3	-	-	79.6	12.8
Leicestershire	65.8	-	-	39.9	8.9
Lincolnshire	38.7	-	-	20.4	6.8
Merseyside	123.4	-	-	113.5	15.6
Norfolk	50.6	-	-	28.9	9.3
North Wales	49.4	1.3	22.5	-	-
North Yorkshire	42.0	-	-	27.2	7.9
Northamptonshire	43.5	-	-	24.3	6.6
Northumbria	111.0	-	-	108.0	8.2
Nottinghamshire	78.5	-	-	48.4	9.7
South Wales	84.9	-	75.8	-	-
South Yorkshire	101.3	-	-	77.9	10.9
Staffordshire	67.0	-	-	40.2	12.0
Suffolk	41.0	-	-	23.0	6.8
Surrey	62.6	-	-	29.4	9.2
Sussex	98.6	-	-	54.2	13.2
Thames Valley	142.3	-	-	74.3	15.3
Warwickshire	31.3	-	-	17.5	5.2
West Mercia	66.8	-	-	43.6	12.0
West Midlands	252.7	-	-	181.3	19.0
West Yorkshire	172.8	-	-	130.1	16.7
Wiltshire	37.8	-	-	20.8	5.2
Total England & Wales	4,142.7	4.1	143.4	2,818.1	507.4

*In addition to the grants listed above:

- The Greater London Authority (on behalf of the Mayor's Office for Policing and Crime) and the Common Council of the City of London (on behalf of the City of London police) are receiving National and International Capital City (NICC) grants of £185.3m and £4.8m respectively.
- The Common Council of the City of London is receiving a Precept grant of £2.7m.
- The Greater London Authority and the Common Council of the City of London also have access to council tax freeze grant funding from MHCLG.
- All PCCs are also receiving a Pensions grant – see table 4 for allocations.

Figures may not sum due to rounding

Table 4: Pensions grant allocations for England and Wales 2019/20

PCC	2019/20
	£m
Avon & Somerset	2.8
Bedfordshire	1.1
Cambridgeshire	1.4
Cheshire	2.1
City of London	0.8
Cleveland	1.3
Cumbria	1.2
Derbyshire	1.9
Devon & Cornwall	3.3
Dorset	1.4
Durham	1.3
Dyfed-Powys	1.3
Essex	2.9
Gloucestershire	1.2
Greater London Authority - officers	31.5
Great London Authority - staff	14.0
Greater Manchester	6.6
Gwent	1.3
Hampshire	3.0
Hertfordshire	2.0
Humberside	1.9
Kent	3.4
Lancashire	3.1
Leicestershire	1.9
Lincolnshire	1.2
Merseyside	3.6
Norfolk	1.6
North Wales	1.6
North Yorkshire	1.4
Northamptonshire	1.3
Northumbria	3.4
Nottinghamshire	2.0
South Wales	3.1
South Yorkshire	2.6
Staffordshire	1.8
Suffolk	1.2
Surrey	2.0
Sussex	2.7
Thames Valley	4.3
Warwickshire	0.9
West Mercia	2.1
West Midlands	7.0
West Yorkshire	5.1
Wiltshire	1.0
Total England & Wales	142.6
Counter-terrorism policing	9.7
National Crime Agency	0.3
Total	152.6

Figures may not sum due to rounding

Table 5: Police capital 2019/20

Police Capital	2019/20
	£m
Police Capital Grant	46.9
Special Grant Capital	1.0
Police Live Services	13.1
National Police Air Service	11.5
Arms Length Bodies	3.5
Total	76.0

Table 6: Capital grant allocations for England and Wales 2019/20

PCC	2018/19	2010/20
	£m	£m
Avon & Somerset	1.0	1.0
Bedfordshire	0.4	0.4
Cambridgeshire	0.5	0.5
Cheshire	0.6	0.7
City of London	0.4	0.4
Cleveland	0.5	0.5
Cumbria	0.4	0.4
Derbyshire	0.6	0.6
Devon & Cornwall	1.1	1.1
Dorset	0.4	0.4
Durham	0.5	0.5
Dyfed-Powys	0.3	0.3
Essex	0.9	1.0
Gloucestershire	0.4	0.4
Greater London Authority	12.2	12.4
Greater Manchester	2.3	2.4
Gwent	0.4	0.5
Hampshire	1.2	1.2
Hertfordshire	0.6	0.6
Humberside	0.7	0.7
Kent	1.1	1.1
Lancashire	1.1	1.1
Leicestershire	0.7	0.7
Lincolnshire	0.4	0.4
Merseyside	1.4	1.4
Norfolk	0.5	0.5
North Wales	0.5	0.5
North Yorkshire	0.4	0.4
Northamptonshire	0.4	0.4
Northumbria	1.3	1.3
Nottinghamshire	0.7	0.8
South Wales	1.0	1.0
South Yorkshire	1.1	1.1
Staffordshire	0.7	0.7
Suffolk	0.4	0.4
Surrey	0.6	0.6
Sussex	0.9	0.9
Thames Valley	1.5	1.5
Warwickshire	0.4	0.4
West Mercia	0.7	0.7
West Midlands	2.5	2.5
West Yorkshire	1.8	1.8
Wiltshire	0.4	0.4
Total England & Wales	45.9	46.9

Figures may not sum due to rounding