

Chapter 4

Police

The Current System

81. The police funding formula is the basis for distributing both Police Grant (currently £4bn, around 51% of police total standard spending) and Revenue Support Grant (with NNDR about £3.0bn, around 38% of police TSS.) This provides un-hypothecated funding to police authorities. The principles and framework of the formula are broadly accepted by the policing community, which had a large hand in developing it in 1994/95, and has been consulted about changes over the years.

82. From SR2000 there are additional elements for specific initiatives supporting government policy – the main ones being the Crime Fighting Fund, the Rural Policing Fund, Airwave (the new police communications system) and additional payments for forces in London and the South East. Where it is appropriate, a similar approach will be used in future.

The New System

83. The Police Funding Formula is ‘needs based’ – allocations within the total provision are made in relation to projected needs for policing services. There is a need to update the activity data by which over 70% of provision is attributed in order to maintain service credibility and to bring the formula in line with present policing needs and the Government’s agenda for the future of the service.

84. Consideration is also being given to making the formula more proactive. In particular, options are proposed that would direct resources towards areas likely to be pressed by street crime and deprivation.

85. The Police Allocation Formula Working Group (AFWG) made up of representatives from government departments, local government, and the police service, has discussed proposals for change to the formula and this work has been taken into account in developing several of the options for change.

86. The proposed options are designed to bring the 1995 funding formula in line with present policing needs and the Government’s agenda for the future of the service. Final decisions on these or any other options for police funding or particular changes in the police funding formula will be made following consultation.

87. The key issues addressed through the proposed options are:

- updating – activity analysis;
- sparsity/the rural policing fund;

- removing the establishment component; and
- making the formula proactive.

Options

Updating - Activity analysis

88. Data used in the existing formula were collected in 1995 and do not accurately reflect the current policing activities. The Allocation Formula Working Group (AFWG) decided last year to review the policing activity analysis (i.e. the police activity components in the formula). Data were collected in late 2001 and early 2002, drawing where possible on the Activity Based Costing exercise for which Police forces were undertaking surveys. By using this recently collected data, the key components weighting have been adjusted and incorporated in Option POL1.

Sparsity / Rural Policing Fund

89. Rural Policing Fund (RPF) was introduced in 2000/01 (with an initial £15m for the remainder of that year and then £30m a year over the next three years), as a response to widespread concerns about the costs of policing sparsely populated areas and robust research that identified genuine pressures in the relevant authorities. Option POL1 proposes to amalgamate the rural fund provision into formula grant and allocates it on the lines of the existing sparsity component but with a weight increased from 0.5% to 1%.

Removing the residual 'Establishment' Component

90. The establishment component was included in the Police Funding Formula from its inception to dampen the impact of change from one funding mechanism to another. It originally allocated 50% of funding according to police establishments in 1994, but was systematically reduced each year until it accounted for 10% in 1999/2000. Option POL2 provides an exemplification with the 'establishment' component reduced to zero.

Making the Formula Proactive

91. Options POL3 and POL4 increase the focus on the Government's policing priorities to support the initiative to challenge street crime. These options propose that existing Personal Crime and Public Order component weights be increased by 5% each.

92. Option POL5 has been designed to address the government's deprivation agenda. It adds a new 'deprivation' component to the police funding formula and the exemplification shows the impact of a component at 2%.

Summary of Options

Option POL1

93. Building on 2002/3 Settlement with adjustment in the component weights using new Activity Analysis data and increasing sparsity component to 1% to roll the Rural Policing Fund into the main formula.

Option POL2

94. Using Option 1 as a baseline and reducing the establishment component to zero.

Option POL3

95. Using Option 1 as a baseline and increasing the 'Personal crime' component weight by 5%.

Option POL4

96. Using Option 1 as a baseline and increasing the 'Public Order' component weight by 5%.

Option POL5

97. Using Option 1 as a baseline and introducing a new 'deprivation' component at 2%.

Questions

98. We would like your views on:

- i) **Which of the above options for police formulae do you prefer? (note that POL2, POL3, POL4 and POL5 can be combined in any permutation)**
- ii) **Are there any alternative or additional changes you would wish to see?**

EXEMPLIFICATIONS OF POLICE OPTIONS

Baseline for exemplifications: Total 2002/03 SSA + Principal Formula Police Grant + Rural Policing Fund, on the assumption made in these options that RPF is rolled back into general grant. The 2002/03 baseline for police has had to be adjusted to reflect the altered split of resources between England and Wales that these options would have produced in 2002/03.

Local Authority	2002/03 Total SSA		Change from 2002/03 Total SSA									
	(£m)		Option POL1		Option POL2		Option POL3		Option POL4		Option POL5	
	(£m)	(%)	(£m)	(%)	(£m)	(%)	(£m)	(%)	(£m)	(%)	(£m)	(%)
England	53,596.1	4.4	0.0%	3.2	0.0%	5.0	0.0%	0.8	0.0%	4.2	0.0%	
London area	10,372.2	40.8	0.4%	25.3	0.2%	48.1	0.5%	36.9	0.4%	35.2	0.3%	
Metropolitan areas	12,880.3	8.5	0.1%	16.0	0.1%	8.0	0.1%	25.9	0.2%	26.7	0.2%	
Shire areas	30,340.4	-45.0	-0.1%	-38.0	-0.1%	-51.1	-0.2%	-62.0	-0.2%	-57.8	-0.2%	
Isles of Scilly	3.2	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	
Inner London boroughs incl. City	3,460.0	0.6	0.0%	-2.1	-0.1%	2.7	0.1%	1.1	0.0%	-0.6	0.0%	
Outer London boroughs	4,727.7	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.1	0.0%	0.1	0.0%	
London boroughs	8,187.7	0.6	0.0%	-2.1	0.0%	2.7	0.0%	1.1	0.0%	-0.6	0.0%	
GLA - all functions	2,184.5	40.2	1.8%	27.3	1.3%	45.4	2.1%	35.8	1.6%	35.8	1.6%	
Metropolitan districts	10,695.2	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%	
Metropolitan fire authorities	387.1	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	
Metropolitan police authorities	1,798.0	8.5	0.5%	15.9	0.9%	7.9	0.4%	25.8	1.4%	26.6	1.5%	
Shire unitary authorities	7,517.4	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	
Shire counties	16,706.4	0.0	0.0%	0.0	0.0%	-0.1	0.0%	-0.1	0.0%	-0.1	0.0%	
Shire districts	2,354.1	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	
Shire police authorities	3,762.5	-44.9	-1.2%	-38.0	-1.0%	-51.0	-1.4%	-61.9	-1.6%	-57.7	-1.5%	
Total Education authorities	43,109.9	0.6	0.0%	-2.1	0.0%	2.7	0.0%	1.1	0.0%	-0.6	0.0%	
SUMMARY BY GO REGION												
South West	4,658.5	-10.7	-0.2%	-10.2	-0.2%	-11.4	-0.2%	-13.6	-0.3%	-15.2	-0.3%	
South East	7,716.3	-12.0	-0.2%	-10.9	-0.1%	-14.0	-0.2%	-23.9	-0.3%	-18.8	-0.2%	
London	10,372.2	40.8	0.4%	25.3	0.2%	48.1	0.5%	36.9	0.4%	35.2	0.3%	
Eastern	5,281.8	-8.3	-0.2%	-6.3	-0.1%	-9.6	-0.2%	-13.9	-0.3%	-11.4	-0.2%	
East Midlands	4,067.3	-3.8	-0.1%	-2.5	-0.1%	-4.4	-0.1%	-4.4	-0.1%	-3.5	-0.1%	
West Midlands	5,637.8	-1.1	0.0%	1.6	0.0%	-1.1	0.0%	0.5	0.0%	4.0	0.1%	
Yorkshire and Humber	5,372.1	-1.6	0.0%	1.3	0.0%	-1.9	0.0%	2.7	0.0%	2.9	0.1%	
North East	2,891.2	2.1	0.1%	5.8	0.2%	1.6	0.1%	7.4	0.3%	5.8	0.2%	
North West	7,598.9	-1.0	0.0%	-0.7	0.0%	-2.4	0.0%	9.1	0.1%	5.1	0.1%	

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		(£m)	(%)	(£m)	(%)	(£m)	(%)	(£m)	(%)	(£m)	(%)
GREATER LONDON											
City of London	84.5	0.6	0.7%	-2.1	-2.5%	2.7	3.1%	1.0	1.2%	-0.6	-0.8%
GLA - all functions	2,184.5	40.2	1.8%	27.3	1.3%	45.4	2.1%	35.8	1.6%	35.8	1.6%
METROPOLITAN DISTRICTS											
Greater Manchester Police	407.4	1.1	0.3%	2.5	0.6%	1.0	0.2%	5.6	1.4%	4.4	1.1%
Merseyside Police	253.1	1.4	0.6%	-1.0	-0.4%	0.7	0.3%	4.6	1.8%	4.1	1.6%
South Yorkshire Police	184.7	0.5	0.3%	2.0	1.1%	0.3	0.2%	1.8	1.0%	2.4	1.3%
Northumbria Police	227.5	1.8	0.8%	4.4	1.9%	1.7	0.7%	4.7	2.1%	4.1	1.8%
West Midlands Police	412.7	3.1	0.8%	6.7	1.6%	3.6	0.9%	6.3	1.5%	8.4	2.0%
West Yorkshire Police	312.5	0.5	0.1%	1.4	0.4%	0.6	0.2%	2.8	0.9%	3.1	1.0%
SHIRE POLICE AUTHORITIES											
Avon & Somerset Police	183.8	-2.5	-1.4%	-2.7	-1.5%	-2.8	-1.5%	-3.5	-1.9%	-3.8	-2.1%
Bedfordshire Police	68.8	-0.2	-0.3%	-0.1	-0.1%	-0.3	-0.5%	-0.8	-1.2%	0.0	0.1%
Cambridgeshire Police	82.7	-1.3	-1.6%	-0.3	-0.4%	-1.3	-1.6%	-1.8	-2.1%	-1.7	-2.1%
Cheshire Police	119.6	-1.1	-0.9%	-0.1	-0.1%	-1.4	-1.2%	-0.7	-0.6%	-1.0	-0.8%
Cleveland Police	89.6	0.5	0.6%	0.9	1.0%	0.2	0.3%	1.8	2.0%	1.5	1.6%
Cumbria Police	66.9	-1.4	-2.1%	-2.0	-3.0%	-1.5	-2.2%	-1.0	-1.5%	-1.6	-2.5%
Derbyshire Police	113.7	-0.8	-0.7%	-0.2	-0.2%	-1.0	-0.8%	-0.8	-0.7%	-1.0	-0.9%
Devon & Cornwall Police	192.5	-3.9	-2.0%	-2.1	-1.1%	-4.0	-2.1%	-3.6	-1.9%	-5.3	-2.8%
Dorset Police	76.0	-1.6	-2.0%	-1.9	-2.5%	-1.7	-2.2%	-2.6	-3.4%	-2.3	-3.0%
Durham Police	88.3	-0.2	-0.3%	0.5	0.5%	-0.3	-0.4%	0.9	1.0%	0.2	0.3%
Essex Police	185.4	-1.6	-0.8%	-1.8	-1.0%	-2.4	-1.3%	-3.6	-2.0%	-2.4	-1.3%
Gloucestershire Police	68.1	-1.4	-2.1%	-1.9	-2.8%	-1.5	-2.2%	-2.1	-3.0%	-2.0	-2.9%
Hampshire Police	216.7	-1.6	-0.7%	0.3	0.1%	-2.1	-1.0%	-3.0	-1.4%	-2.5	-1.1%
Hertfordshire Police	123.0	-1.6	-1.3%	-1.5	-1.3%	-1.8	-1.5%	-3.4	-2.8%	-2.5	-2.1%
Humberside Police	121.8	-0.2	-0.1%	0.3	0.3%	-0.4	-0.4%	0.9	0.8%	0.3	0.3%
Kent Police	205.5	-1.6	-0.8%	-0.7	-0.4%	-2.2	-1.1%	-2.9	-1.4%	-3.0	-1.5%
Lancashire Police	195.1	-1.0	-0.5%	-0.1	0.0%	-1.3	-0.6%	0.6	0.3%	-0.8	-0.4%
Leicestershire Police	112.0	-0.6	-0.5%	0.3	0.2%	-0.7	-0.6%	-1.0	-0.9%	-0.2	-0.2%
Lincolnshire Police	70.8	-1.5	-2.1%	-2.0	-2.9%	-1.5	-2.1%	-1.7	-2.3%	-1.8	-2.6%
Norfolk Police	94.8	-2.0	-2.1%	-1.3	-1.4%	-2.1	-2.2%	-2.3	-2.5%	-2.7	-2.8%
North Yorkshire Police	86.3	-2.4	-2.8%	-2.5	-2.9%	-2.4	-2.8%	-2.9	-3.3%	-3.1	-3.5%
Northamptonshire Police	71.8	-1.0	-1.4%	-0.5	-0.7%	-1.2	-1.7%	-1.3	-1.9%	-0.8	-1.2%

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		(£m)	(%)	(£m)	(%)	(£m)	(%)	(£m)	(%)	(£m)	(%)	
Nottinghamshire Police	136.3	0.1	0.1%	0.0	0.0%	-0.1	-0.1%	0.4	0.3%	0.3	0.3%	
Staffordshire Police	122.6	-0.5	-0.4%	-1.4	-1.1%	-0.7	-0.5%	-0.8	-0.6%	-0.5	-0.4%	
Suffolk Police	76.7	-1.6	-2.1%	-1.3	-1.6%	-1.7	-2.2%	-2.0	-2.5%	-2.1	-2.7%	
Surrey Police	109.4	-3.2	-2.9%	-6.8	-6.2%	-3.5	-3.2%	-6.4	-5.9%	-4.6	-4.2%	
Sussex Police	183.2	-1.8	-1.0%	-0.7	-0.4%	-2.4	-1.3%	-4.1	-2.2%	-3.5	-1.9%	
Thames Valley Police	246.8	-3.8	-1.5%	-3.0	-1.2%	-3.8	-1.6%	-7.4	-3.0%	-5.2	-2.1%	
Warwickshire Police	57.2	-1.3	-2.3%	-1.7	-2.9%	-1.4	-2.4%	-1.9	-3.3%	-1.6	-2.7%	
West Mercia Police	126.7	-2.5	-2.0%	-2.0	-1.6%	-2.6	-2.1%	-3.1	-2.5%	-2.3	-1.8%	
Wiltshire Police	70.3	-1.4	-2.0%	-1.6	-2.3%	-1.4	-2.0%	-1.9	-2.6%	-1.8	-2.5%	