

Appendix 3

PROJECTED FUNDING 2002/03 - 2006/07						
	Notes	2002/03	2003/04	2004/05	2005/06	2006/07
		£m	£m	£m	£m	£m
Central funding allocated by national allocation formula (ie main police grant, RSG and NNDR)	1	1,479.3	1,508.9	1,539.1	1,569.8	1,601.2
<i>Annual increase</i>			2.0%	2.0%	2.0%	2.0%
Grant reduction due to change in civil pensions arrangements	2		-6.7	-6.8	-7.0	-7.1
MPS special payment	3	197.0	200.9	205.0	209.1	213.2
<i>Annual increase</i>		3.1%	2.0%	2.0%	2.0%	2.0%
Hypothecated grants:						
Crime Fighting Fund	4	61.9	68.6	70.4	72.3	74.3
Pay lead grant (reaching and then maintaining 28,000 officers)	5	19.1	22.4	25.5	28.3	31.3
DNA expansion programme grant	6	2.5	9.6	0.0	0.0	0.0
Loan charges grant	7	3.9	3.7	3.5	3.4	3.3
Grant for free rail travel for police officers	8	2.5	2.5	2.5	2.5	2.5
Airwave grant	9	0.0	3.9	29.8	23.9	23.9
Funding for net cost of police reform	10	0.0	19.3	21.4	31.8	32.7
Precept		361.4	361.4	361.4	361.4	361.4
<i>Annual increase</i>		0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL FUNDING		2,127.6	2,194.5	2,251.7	2,295.5	2,336.8
<i>Annual increase</i>			3.1%	2.6%	1.9%	1.8%

Notes

1. Projections for formula funding in 2002/03 and 2003/04 are based on SR2000 as set out in paragraph 24 of the report. Increases in the following years are assumed to remain at the 2003/04 level. No assumption has been made about the availability of PFI credits.
2. Assessed net reduction in grant following change in civil staff pension arrangements assumed to match savings in expenditure.
3. MPS special payment is assumed to increase at same rate as police grant.
4. Crime Fighting Fund runs to 2002/03. Funding arrangement thereafter are unclear but this line shows the sums that will need to be obtained through the formula allocation to meet the cost of all officers recruited under the CFF scheme.
5. Assumes HO will fund London pay lead at 75% of annual cost excluding ERNIC. Approaches have been made to HO for full funding; outcome may depend on Comprehensive Spending Review.
6. Grant payments available up to 2003/04, subject to qualifying expenditure. Grant assumed to cease after that year.
7. This grant is paid as a contribution to costs associated with pre-1990 debt and will disappear over time.
8. HO grant towards cost of free rail travel expected to continue throughout planning period.
9. Assumes all Airwave costs will be funded by grant from HO.

10. Assumes full cost of police reform proposals will be funded by additional grant.