

Policing Resources Bill [HL]

HL Bill 41 of 2017–19

Summary

The [Policing Resources Bill \[HL\]](#) is a private member's bill introduced by Lord Wigley (Plaid Cymru). It would amend the Police Act 1996 to include various criteria the Government must consider when determining the annual police grant. It would also set up a new independent body to review and report annually on the adequacy of the police grant. Lord Wigley introduced the bill in the House of Lords on 6 July 2017.¹ It is due to have its second reading on 6 September 2019.

Police forces in England and Wales receive their funding through a variety of sources. However, each force's main source is an annual central government grant. The Government may exercise discretion in deciding how much funding each force receives, but since 2014 has used the police allocation formula (PAF).

For the 2019/20 fiscal year, the Home Office announced that the total police funding settlement will be up to £14 billion. This is an increase of £970 million compared to 2018/19. According to the Government, this figure represents the largest increase seen since 2010. The settlement was welcomed by some, including the chief executive of the College of Policing, Chief Constable Mike Cunningham, and the National Police Chiefs' Council (NPCC) lead for finance, Chief Constable Dave Thompson. However, others, such as the Shadow Home Secretary, Diane Abbott, and the chair of the Police Federation, John Apter, criticised the announcement, arguing that the settlement sum was not enough.

What Would the Bill Do?

Clause 1 would amend section 46 of the Police Act 1996 so that when making the annual police grant, the Secretary of State must ensure that recipients have "sufficient" resources to:

- prevent crime;
- pursue and bring to justice those that break the law;
- keep the Queen's peace; and
- protect, help and reassure the community.

It would also set out the following considerations for the Secretary of State to take into account when determining the annual police grant, both individual sums and in aggregate:

- the latest police and crime plans prepared by police and crime commissioners [PCCs] (with 'police and crime plans' having the same meaning as in section 7 of the Police Reform and Social Responsibility Act 2011);

- the latest report from the independent body appointed by the Secretary of State to evaluate the adequacy of funding for all police forces introduced by clause 2 of the bill; and
- the need for contingency funding for police forces dealing with exceptional major incidents involving multiple victims.

Clause 2 would require the Secretary of State to appoint an independent body to review and report annually on the adequacy of the police grant. This body would have to consider the criteria set out in clause 1. It would also take into account whether grants for safeguarding national security under section 48 of the Police Act 1996 were sufficient to meet their aims. The creation of the body would take place within six months of the bill receiving royal assent. However, the bill does not provide detail on how, or if, membership of the board would be regularly refreshed or the criteria under which they would be chosen.

Clause 3 would provide for the bill's territorial extent (England and Wales); its commencement—the act would come into force two months after royal assent; and short title.

How are Police Forces Funded?

Police Grant

Police forces in England and Wales² receive their funding through a variety of sources. However, the main source of income for police forces each year is a central government grant. The police grant—as provided for in section 46 of the Police Act 1996—is available each year to all 43 forces in England and Wales. Information on the grant is set out in the annual Home Office *Police Grant Report*. This report must contain: the aggregate amount of grant funding; the amount of grant made to each recipient; and the considerations taken into account in allocating the amounts.³ The report must be laid before the House of Commons each year, with no payment made unless it has been approved by resolution of the House.

Currently, the Secretary of State may exercise discretion when deciding how much funding each force receives.⁴ They may apply a formula or other rules of their choosing when allocating funding. In addition, any formulae or rules applied may differ among the various grant recipients or classes of grant recipients.

Police Allocation Formula

Since 2014, the Government has used the police allocation formula (PAF) to determine the amount of police grant each force receives.⁵ The PAF uses various data sources, such as population density, to share money between forces. However, it is not a calculation of absolute needs: it does not estimate how much each force needs independent of other forces. Rather, “it shares out the amount of money designated for police funding between forces based on their relative needs compared to each other”. Commenting on the PAF, the Home Office has stated that limitations on available data mean that it cannot capture every factor that will affect relative need for policing in an area. However, it argued that “the model is designed to be able to provide a good statistical prediction of relative police workload across the country”.

What are the Current Levels of Police Funding?

Funding for 2019/20

The Home Office has said the total police funding settlement will be up to £14 billion in 2019/20, an increase of £970 million compared to 2018/19.⁶ The settlement includes:

- government grant funding for PCCs;
- flexibility for PCCs to raise additional money locally from council tax;
- government funding for additional pension costs;
- funding for counter-terrorism policing; and
- funding for national priorities, such as tackling serious and organised crime.⁷

Commenting on the settlement, Nick Hurd, Minister for Policing and the Fire Service, claimed that the increase was the largest seen since 2010.⁸ A statistical bulletin published by the Home Office found that for “a number of reasons, it is difficult to compare current total police funding levels with years before 2015–16 due to changes in the structure of police funding over the period”.⁹

The latest *Police Grant Report* stated that the aggregate amount of grants for police purposes would be over £7.6 billion for this financial year (2019/20).¹⁰ Setting out the considerations taken into account by the Home Secretary when allocating the funds, the report stated that the PAF was used to distribute the main grant element.¹¹ It also reported that the two forces which police London—the Metropolitan Police and City of London Police—would receive special payments. Some Welsh forces would also receive a ‘top-up’.

The police precept was another change in the 2019/20 fiscal year.¹² This year, PCCs can increase the precept level—a council tax charge for policing—by a maximum of £2 a month without holding a local referendum. If all PCCs in England and Wales were to increase the precept by this amount—£24 a year—an additional £509 million would be available based on current forecasts. This would take total precept funding to around £4.1 billion.

Further changes introduced also provided for pensions, counter-terrorism policing and national priorities.¹³ An additional £143 million of funding would be available for police pensions this year. This followed a revaluation of public pensions, which saw police forces facing increased pension costs of around £330 million. Counter-terrorism policing also received a £59 million increase, announced in the 2018 budget. This increased the total counter-terrorism budget to £816 million. In addition, further funding of £89 million for national priorities took total funding for this area to £1 billion. This funding was for various purposes, including:

- to continue with existing top-ups to support the National Crime Agency and Regional Organised Crime Units;
- to provide £495 million for police technology;
- to provide £175 million to the Police Transformation Fund;
- to provide special grant funding of £73 million, which police forces can bid for to help cover costs of unexpected events and major investigations; and
- to allocate £3.5 million for Police Now, a graduate recruitment and training programme.¹⁴

Reaction to 2019/20 Funding Announcement

While some welcomed the police funding settlement, it also received criticism from other quarters. In a written statement on the announcement, Nick Hurd stated “it is clear that demand pressures on the police have risen this year as a result of changing crime”.¹⁵ He gave examples that included the “growing threat” of serious and organised crime. Mr Hurd also stated that the Government’s funding proposals would help police to meet this additional demand and manage financial pressures.

Commenting on the announcement, the Shadow Home Secretary, Diane Abbott, acknowledged the Government’s claim that the amount represented the largest funding increase since 2010. However, she argued that it was “still inadequate”, having been labelled as such by ordinary police officers, senior police officers and PCCs.¹⁶ John Apter, chair of the Police Federation, also criticised the settlement. He stated that the Government was “passing the buck” of funding the police onto the public by doubling the council tax precept. He also argued that in reality, “this new funding won’t lead to hundreds more officers on the streets”.¹⁷ Referring to the Government’s funding announcement as “a standstill policing budget”, he said “it will plug the gap to a degree, but householders are unlikely to experience a tangible improvement in their area”. Mr Apter also contended that policing was in crisis and required “long-term financial investment” to “pull [the service] back from the brink”.

The Mayor of London, Sadiq Khan, was also critical. He said that Londoners would be “furious” about the Government’s plans to raise the council tax precept. Reacting to overall funding plans, he stated:

Eight years of government cuts have already led to London losing more than 3,000 police officers and more than 3,000 community support officers. Ministers’ failure to reverse those damaging cuts today means we now face the very real prospect of officer numbers falling to a 16-year low and I’m hugely concerned about how we continue to keep Londoners safe with so few officers, an increased terror threat and rising population.¹⁸

A similar view was held by the West Midlands PCC, David Jamieson, who argued that the funding announced for West Midlands Police is “another real term cut in funding”. He said:

This government funding does not come anywhere near to covering what the force requires just to standstill. £25.6 million is needed to cover extra pension costs, government-set pay increases and rising fuel costs this year.¹⁹

However, the National Police Chiefs’ Council (NPCC) lead for finance, Chief Constable Dave Thompson, welcomed the extra funding.²⁰ He said that the Government was right to recognise that policing had come under “severe strain” and that extra funding was necessary. Commenting further, he claimed:

The additional funding through the police grant will help forces meet the costs of government pension changes and should allow chief constables and PCCs to avoid making further cuts. Increased flexibility through the council tax precept will give chief constables and PCCs the opportunity to address local issues—with many focusing on violent crime.²¹

Chief Constable Mike Cunningham, chief executive of the College of Policing, also responded positively to the announcement.²² Calling it “a much-needed positive step towards addressing the financial

challenges faced by all forces”, he argued it was clear that policing requires additional funding for forces to be able to support their workforce and keep the public safe.

Further Information

- Home Office, [Policing Funding for England and Wales 2015–2020](#), July 2019
- Home Office, [The Police Grant Report \(England and Wales\) 2019/20](#), January 2019

¹ [Policing Resources Bill \[HL\] 2017–19](#); and [HL Hansard, 6 July 2017, col 984](#).

² The British Transport Police and Civil Nuclear Constabulary (CNC) are funded separately (House of Commons Library, [Police Funding](#), 25 February 2016, p 4).

³ Police Act 1996, section 46 (2–3).

⁴ Police Act 1996, section 46 (4–5).

⁵ Home Office, [‘Guide to the Police Allocation Formula’](#), 26 March 2013.

⁶ Home Office Blog, [‘Factsheet: Provisional Police Funding Settlement 2019/20’](#), 13 December 2018.

⁷ *ibid.*

⁸ House of Commons, [‘Written Statement: Police Grant Report England and Wales 2019/20’](#), 24 January 2019, HCWS1274.

⁹ Home Office, [Policing Funding for England and Wales 2015–2020](#), July 2019, p 4.

¹⁰ Home Office, [The Police Grant Report \(England and Wales\) 2019/20](#), 21 January 2019, HC 1896 of session 2017–19, p 3.

¹¹ *ibid.*, pp 5–6.

¹² Home Office Blog, [‘Factsheet: Provisional Police Funding Settlement 2019/20’](#), 13 December 2018.

¹³ *ibid.*

¹⁴ *ibid.*

¹⁵ House of Commons, [‘Written Statement: Police Grant Report England and Wales 2019/20’](#), 24 January 2019, HCWS1274.

¹⁶ [Debate on ‘Police Grant Report’](#), *HC Hansard*, 5 February 2019, col 199.

¹⁷ Metropolitan Police Federation, [‘Government’s Funding Settlement Will ‘Infuriate Londoners’ and is ‘Passing the Buck’](#), accessed 1 July 2019.

¹⁸ Sadiq Khan, [‘Mayor of London Twitter Account’](#), 13 December 2018.

¹⁹ West Midlands Police and Crime Commissioner, [‘Real Terms Cut in Government Funding for West Midlands Police’](#), 13 December 2018.

²⁰ National Police Chiefs’ Council, [‘The Government Are Right to Recognise That More Money is Needed in Policing’](#), 13 December 2018.

²¹ *ibid.*

²² College of Policing, [‘Response to the Provisional Police Funding Settlement 2019/20’](#), 13 December 2018.

House of Lords Library briefings are compiled for the benefit of Members of the House of Lords and their personal staff, to provide impartial, politically balanced briefing on subjects likely to be of interest to Members of the Lords. Authors are available to discuss the contents of the briefings with the Members and their staff but cannot advise members of the general public.

Any comments on briefings should be sent to the Head of Research Services, House of Lords Library, London SW1A 0PW or emailed to purvism@parliament.uk.