

Home Office

**POLICE GRANT  
(ENGLAND AND WALES)**

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**THE POLICE GRANT  
REPORT  
(ENGLAND AND WALES)  
2007/08**

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Report by the Secretary of State for the Home Department under  
section 46 of the Police Act 1996

*Ordered by The House of Commons  
to be printed on 18 January 2007*

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## **1. Introduction**

1.1 This Report is prepared by the Secretary of State for the Home Department ('the Home Secretary') under section 46(3) of the Police Act 1996. It is laid before the House of Commons under section 46(6) of the 1996 Act. It applies to England and Wales.

1.2 This Report sets out the Home Secretary's determination for 2007/08, made under section 46(2) of the 1996 Act, of the aggregate amount of grants for police purposes that he proposes to pay under section 46 and the amount of grant he proposes to pay each police authority<sup>1</sup> under the same section.

1.3 The Report also states the considerations which the Home Secretary took into account in making his determination.

1.4 In determining the allocation among police authorities of the whole or any part of the aggregate amount of grants, the Home Secretary may, under section 46(4) of the 1996 Act, exercise his discretion in applying such formulae or other rules as he considers appropriate. This Report sets out the formula that he proposes to apply to part of the aggregate amount of grants in 2007/08.

1.5 This Report does not cover police grant for capital purposes made under section 47(1) of the 1996 Act, police grant for the safeguarding of national security made under section 48(1) of the 1996 Act, or police grant made for any other specific purpose.

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<sup>1</sup> Including the Greater London Authority on behalf of the Metropolitan Police Authority.

## **2. Police Grant**

2.1 Pursuant to section 46(2)(a) of the 1996 Act the Home Secretary hereby determines that the aggregate amount of grants to be made under section 46 is £4,432,973,642.

### 3. Allocation of Police Grant

3.1 Pursuant to section 46(2)(b) of the 1996 Act, the Home Secretary hereby determines that the amount of grant to be paid to each police authority other than the Metropolitan Police Authority, and to the Greater London Authority on behalf of the Metropolitan Police Authority, in 2007/08<sup>2</sup> is the amount shown against its name in column (d) of the Table below.

|                                  | (a) <sup>3</sup><br>Allocation under<br>Principal Formula | (b) <sup>4</sup><br>Allocation under<br>Additional Rule 1 | (c) <sup>5</sup><br>Allocation under<br>Additional Rule 2 | (d)<br>Total amount<br>of grant<br>(a)+(b)+(c) |
|----------------------------------|---|---|---|--|
| Avon & Somerset                  | £101,386,013  |   | £4,313,122  | £105,699,135                                   |
| Bedfordshire                     | £39,321,366   |   | £1,698,493  | £41,019,859                                    |
| Cambridgeshire                   | £45,827,889   |   | £2,537,626  | £48,365,515                                    |
| Cheshire                         | £63,403,224   |   | £2,629,099  | £66,032,323                                    |
| City of London                   | £22,777,445   |   | £1,353,370  | £24,130,815                                    |
| Cleveland                        | £46,314,175   |   | £1,328,015  | £47,642,190                                    |
| Cumbria                          | £30,067,923   |   | £2,514,644  | £32,582,567                                    |
| Derbyshire                       | £62,057,185   |   | £2,293,016  | £64,350,201                                    |
| Devon & Cornwall                 | £101,940,020  |   | £5,569,539  | £107,509,559                                   |
| Dorset                           | £39,193,616   |   | £1,494,285  | £40,687,901                                    |
| Durham                           | £43,126,294   |   | £1,466,319  | £44,592,613                                    |
| Dyfed-Powys                      | £29,624,478   | £890,534  | £3,423,778  | £33,938,790                                    |
| Essex                            | £101,213,005  |   | £4,958,504  | £106,171,509                                   |
| Gloucestershire                  | £33,771,205   |   | £1,815,120  | £35,586,325                                    |
| Greater London Authority         | £1,026,711,642  |   | £54,723,201   | £1,081,434,843                                 |
| Greater Manchester               | £225,373,682  |   | £6,574,301  | £231,947,983                                   |
| Gwent                            | £42,507,200   | £1,277,798  | £1,331,666  | £45,116,664                                    |
| Hampshire                        | £115,701,985  |   | £4,628,682  | £120,330,667                                   |
| Hertfordshire                    | £71,223,878   |   | £3,521,778  | £74,745,656                                    |
| Humberside                       | £62,939,367   |   | £2,339,407  | £65,278,774                                    |
| Kent                             | £105,762,705  |   | £6,548,568  | £112,311,273                                   |
| Lancashire                       | £102,924,275  |   | £3,489,872  | £106,414,147                                   |
| Leicestershire                   | £62,812,898   |   | £2,255,825  | £65,068,723                                    |
| Lincolnshire                     | £36,692,789   |   | £3,080,836  | £39,773,625                                    |
| Merseyside                       | £127,673,757  |   | £4,072,096  | £131,745,853                                   |
| Norfolk                          | £47,130,402   |   | £3,438,675  | £50,569,077                                    |
| North Wales                      | £41,725,734   | £1,254,307  | £3,111,446  | £46,091,487                                    |
| North Yorkshire                  | £41,642,518   |   | £3,366,953  | £45,009,471                                    |
| Northamptonshire                 | £40,694,976   |   | £1,918,176  | £42,613,152                                    |
| Northumbria                      | £107,608,914  |   | £3,055,217  | £110,664,131                                   |
| Nottinghamshire                  | £73,014,681   |   | £1,789,344  | £74,804,025                                    |
| South Wales                      | £98,238,069   | -£3,422,639   | £2,638,330  | £97,453,760                                    |
| South Yorkshire                  | £99,050,816   |   | £2,727,336  | £101,778,152                                   |
| Staffordshire                    | £64,803,792   |   | £2,422,586  | £67,226,378                                    |
| Suffolk                          | £39,154,398   |   | £2,545,328  | £41,699,726                                    |
| Surrey                           | £63,220,755   |   | £3,122,130  | £66,342,885                                    |
| Sussex                           | £94,359,320   |   | £4,834,295  | £99,193,615                                    |
| Thames Valley                    | £138,457,244  |   | £7,746,617  | £146,203,861                                   |
| Warwickshire                     | £31,378,293   |   | £1,370,074  | £32,748,367                                    |
| West Mercia                      | £65,215,037   |   | £4,467,032  | £69,682,069                                    |
| West Midlands                    | £246,805,622  |   | £7,528,894  | £254,334,516                                   |
| West Yorkshire                   | £170,948,955  |   | £4,324,719  | £175,273,674                                   |
| Wiltshire                        | £36,624,458   |   | £2,183,328  | £38,807,786                                    |
| <b>Total England &amp; Wales</b> | <b>£4,240,422,000</b>                                     | <b>£0</b>   | <b>£192,551,642</b>                                       | <b>£4,432,973,642</b>                          |

2 Under section 46(2) of the 1996 Act any determination may be varied by further determinations under that subsection.

3 This is an amount calculated under section 5 below, except that for the Greater London Authority on behalf of the Metropolitan Police Authority it also includes the special payment referred to paragraph 4.4 of this Report.

4 This is an amount calculated under section 6 below.

5 This is an amount calculated under section 7 below.

## **4. Considerations taken into account**

4.1 Pursuant to section 46(3) of the 1996 Act, the considerations which the Home Secretary took into account in making his determination are as follows.

4.2 The Home Secretary considers it appropriate to allocate the aggregate amount of grant on the basis set out in paragraphs 4.3 to 4.6 below.

### **(i) Principal Formula**

4.3 The greater part of the aggregate amount of grants will be allocated on the basis of the needs-based principal formula which has been determined for the purpose and which is described in section 5 below.

### **(ii) Special Payment to the Greater London Authority on behalf of the Metropolitan Police Authority**

4.4 The Home Secretary has decided that the Greater London Authority on behalf of the Metropolitan Police Authority should receive additional funding in recognition of the Metropolitan Police's distinct national and capital city functions. He also considers that it is particularly important to maintain public confidence in policing in the capital city. It would be difficult for the principal formula to take account of these special circumstances. He has decided, therefore, that a portion of the aggregate amount of grants will be assigned to the Greater London Authority on behalf of the Metropolitan Police Authority over and above that available through the principal formula set out in section 5 below. The Home Secretary has set the amount of this special payment at £192,000,000.

### **(iii) Additional Rule 1**

4.5 The Home Secretary has decided that the grant provision under the principal formula for police authorities in Wales shall be varied to ensure that South Wales Police Authority shall receive in principal formula and local authority general grants the same increase as that applicable to police authorities in England. A sum equal to the reduction for the South Wales Police Authority will be allocated to the Dyfed Powys, Gwent and North Wales Police Authorities on the basis of additional rule 1 described in section 6 below.

### **(iv) Additional Rule 2**

4.6 The Home Secretary has decided to amalgamate four specific grants into a single provision for each authority. The grant is assigned to each police authority over and above that available through the principal formula set out in section 5. This funding will be allocated on the basis of additional rule 2 described in section 7 below.

## 5. Principal Formula to be applied by the Home Secretary

5.1 The greater part of the amount of grant to be paid to each police authority, other than the Metropolitan Police Authority, and to the Greater London Authority on behalf of the Metropolitan Police Authority, is calculated in accordance with the principal needs-based formula shown in paragraph 5.5 below.

5.2 The main determinant in the principal formula is the projected resident population. Cost adjustments are built into this formula for the socio-economic and other characteristics of police authority areas and for differences in the costs of provision between areas.

5.3 The formula is generally specified in terms of the sum of a series of ‘amounts’ multiplied by ‘indicators’. A full description of each indicator is given in **Annex A**. Indicators are items of information which are available for each police authority, for example, density of population.

5.4 The application of a scaling factor in calculating the amounts of grant allocated to each police authority other than the Metropolitan Police Authority, and to the Greater London Authority on behalf of the Metropolitan Police Authority, by means of the principal formula is to ensure that the total of all those amounts equals the aggregate amount of grant to be allocated by means of the principal formula. This scaling factor is given in **Annex B**.

5.5 The police grant for a particular police authority consists of a basic amount per projected resident, a basic amount per person projected to be present in the authority during a 24 hour period (i.e. residents plus commuters) for special events, and top-ups for crime, incidents, fear of crime, traffic, sparsity and area costs:

### *Basic amounts*

|                             |         |
|-----------------------------|---------|
| Police Basic Amount         | 16.1189 |
| Special Events Basic Amount | 0.9408  |

### *Top-Ups*

|                       |  |
|-----------------------|--|
| Police Crime Top-Up 1 | 2.5943 multiplied by <b>DAYTIME NET INFLOW PER RESIDENT POPULATION</b> ; plus<br>0.2893 multiplied by <b>LOG OF BARS PER 100 HECTARES</b> ; plus<br>15.8908 multiplied by <b>INCOME SUPPORT/INCOME BASED JSA/GUARANTEE ELEMENT OF PENSION CREDIT CLAIMANTS</b> ; plus<br>33.4379 multiplied by <b>SINGLE PARENT HOUSEHOLDS</b>   |
| Police Crime Top-Up 2 | 0.0264 multiplied by <b>POPULATION DENSITY</b> ; plus<br>84.7163 multiplied by <b>LONG-TERM UNEMPLOYMENT-RELATED BENEFIT CLAIMANTS</b>   |
| Police Crime Top-Up 3 | 0.0628 multiplied by <b>LOG OF BARS PER 100 HECTARES</b> ; plus<br>0.0069 multiplied by <b>POPULATION DENSITY</b> ; plus<br>3.1537 multiplied by <b>RESIDENTS IN ROUTINE/SEMI ROUTINE OCCUPATIONS OR NEVER WORKED/LONG-TERM UNEMPLOYED</b> ; plus<br>7.7715 multiplied by <b>SINGLE PARENT HOUSEHOLDS</b> ; plus<br>0.5876 multiplied by <b>DAYTIME NET INFLOW PER RESIDENT POPULATION</b> |

|                             |  |
|-----------------------------|--|
| Police Crime Top-Up 4       | 0.1563 <i>multiplied by</i> <b>LOG OF BARS PER 100 HECTARES;</b><br>plus 6.8815 <i>multiplied by</i> <b>SINGLE PARENT HOUSEHOLDS;</b><br>plus 21.2769 <i>multiplied by</i> <b>STUDENT HOUSING;</b> plus<br>0.9735 <i>multiplied by</i> <b>HARD PRESSED</b> |
| Police Crime Top-Up 5       | 0.2944 <i>multiplied by</i> <b>LOG OF BARS PER 100 HECTARES;</b> plus<br>32.6921 <i>multiplied by</i> <b>STUDENT HOUSING;</b> plus<br>128.6357 <i>multiplied by</i> <b>YOUNG MALE UNEMPLOYMENT-RELATED BENEFIT CLAIMANTS</b>                               |
| Police Crime Top-Up 6       | 5.1871 <i>multiplied by</i> <b>DAYTIME NET INFLOW PER RESIDENT POPULATION;</b> minus<br>0.4770 <i>multiplied by</i> <b>LOG OF POPULATION SPARSITY;</b> plus<br>1.2186 <i>multiplied by</i> <b>LOG OF OVERCROWDED HOUSEHOLDS</b>                            |
| Police Crime Top-Up 7       | 4.2267 <i>multiplied by</i> <b>DAYTIME NET INFLOW PER RESIDENT POPULATION;</b> plus<br>26.5565 <i>multiplied by</i> <b>STUDENT HOUSING;</b> minus<br>3.1452 <i>multiplied by</i> <b>WEALTHY ACHIEVERS</b>  |
| Police Incidents Top-Up     | 34.8402 <i>multiplied by</i> <b>INCOME SUPPORT/INCOME BASED JSA/GUARANTEE ELEMENT OF PENSION CREDIT CLAIMANTS;</b> plus<br>9.2925 <i>multiplied by</i> <b>RESIDENTS IN TERRACED ACCOMMODATION</b>  |
| Police Fear of Crime Top-Up | 0.2766 <i>multiplied by</i> <b>LOG OF BARS PER 100 HECTARES;</b> plus<br>1.9917 <i>multiplied by</i> <b>HARD PRESSED</b>   |
| Police Traffic Top-Up       | 1.4861 <i>multiplied by</i> <b>POPULATION SPARSITY</b>   |
| Police Sparsity Top-Up      | 0.8307 <i>multiplied by</i> <b>POPULATION SPARSITY</b>   |

5.6 The amount of police grant for a particular authority allocated under the principal formula is calculated as follows:

*Principal Formula to be applied by the Home Secretary*

- (a) **PROJECTED POPULATION IN 2007** multiplied by the result of:
  - POLICE BASIC AMOUNT; *plus*
  - POLICE CRIME TOP-UP 1; *plus*
  - POLICE CRIME TOP-UP 2; *plus*
  - POLICE CRIME TOP-UP 3; *plus*
  - POLICE CRIME TOP-UP 4; *plus*
  - POLICE CRIME TOP-UP 5; *plus*
  - POLICE CRIME TOP-UP 6; *plus*
  - POLICE CRIME TOP-UP 7; *plus*
  - POLICE INCIDENTS TOP-UP; *plus*
  - POLICE FEAR OF CRIME TOP-UP; *plus*
  - POLICE TRAFFIC TOP-UP; *plus*
  - POLICE SPARSITY TOP-UP.
  
- (b) **PROJECTED DAYTIME POPULATION IN 2007** multiplied by **SPECIAL EVENTS BASIC AMOUNT**;
  
- (c) The results of (a) and (b) are added together and the result is *multiplied* by **AREA COST ADJUSTMENT FOR POLICE**;
  
- (d) The result of (c) is then *multiplied* by **POLICE GRANT RATE**;
  
- (e) The result of (d) is then *multiplied* by the scaling factor given in Annex B.
  
- (f) The result of (e) is *multiplied* by the result of £4,048,422,000 *divided* by the sum for all police authorities of the result of (e) given in Annex D.

## **6. Additional Rule 1 to be applied by the Home Secretary**

6.1 The Home Secretary has decided that the grant provision under the principal formula for South Wales Police Authority shall be reduced by £3,422,639 to ensure the Authority will receive in local authority general grants the increase applicable to all police authorities in England. The sum will be paid in full to the other Police Authorities in Wales, in proportion to their principal formula grant. Dyfed Powys Police Authority will receive £890,534; Gwent Police Authority will receive £1,277,798; North Wales Police Authority will receive £1,254,307.

## 7. Additional Rule 2 to be applied by the Home Secretary

7.1 The Home Secretary has decided to amalgamate four specific grants for each authority, to give police authorities more control over how they may be used.

7.2 The amalgamated grant is assigned to each police authority in addition to that available through the principal formula set out in section 5 and Additional Rule 1 set out in section 6. Allocation is based on actual provision in 2005/06 or, where this is not available, on estimates made by the Home Secretary.

7.3 The main determinants in this additional rule are individual police authorities' allocations from the Rural Policing Fund, Forensic Grant, Special Priority Payments Grant and London/South East Allowances Grants.

|                                  | (a)<br>Allocation from<br>former Rural<br>Policing Fund | (b)<br>Allocation from<br>former Forensic<br>Grant | (c)<br>Allocation from<br>former Special<br>Priority Payments<br>grant | (d)<br>Allocation from<br>former London/South<br>East Allowances<br>grant | (e)<br>Total amount<br>of grant<br>(a)+(b)+(c)+(d) |
|----------------------------------|---|--|--|---|--|
| Avon & Somerset                  | £980,199  | £1,656,944   | £1,675,979   | £0  | £4,313,122   |
| Bedfordshire                     | £164,007  | £563,619   | £533,749   | £437,118  | £1,698,493   |
| Cambridgeshire                   | £1,113,162  | £655,006   | £769,458   | £0  | £2,537,626   |
| Cheshire                         | £226,308  | £1,284,170   | £1,118,621   | £0  | £2,629,099   |
| City of London                   | £0  | £65,232  | £439,529   | £848,609  | £1,353,370   |
| Cleveland                        | £0  | £513,517   | £814,498   | £0  | £1,328,015   |
| Cumbria                          | £1,341,709  | £487,290   | £685,645   | £0  | £2,514,644   |
| Derbyshire                       | £409,869  | £796,582   | £1,086,565   | £0  | £2,293,016   |
| Devon & Cornwall                 | £3,122,008  | £856,076   | £1,591,455   | £0  | £5,569,539   |
| Dorset                           | £438,864  | £357,489   | £697,932   | £0  | £1,494,285   |
| Durham                           | £236,779  | £423,171   | £806,369   | £0  | £1,466,319   |
| Dyfed-Powys                      | £2,638,887  | £190,730   | £594,161   | £0  | £3,423,778   |
| Essex                            | £498,646  | £855,929   | £1,511,244   | £2,092,685  | £4,958,504   |
| Gloucestershire                  | £771,929  | £376,048   | £667,143   | £0  | £1,815,120   |
| Greater London Authority         | £0  | £6,399,536   | £14,606,210  | £33,717,455   | £54,723,201  |
| Greater Manchester               | £0  | £2,691,053   | £3,883,248   | £0  | £6,574,301   |
| Gwent                            | £200,454  | £404,320   | £726,892   | £0  | £1,331,666   |
| Hampshire                        | £218,558  | £1,141,600   | £1,988,218   | £1,280,306  | £4,628,682   |
| Hertfordshire                    | £0  | £752,056   | £1,097,787   | £1,671,935  | £3,521,778   |
| Humberside                       | £697,991  | £439,000   | £1,202,416   | £0  | £2,339,407   |
| Kent                             | £593,654  | £1,523,367   | £1,938,774   | £2,492,773  | £6,548,568   |
| Lancashire                       | £63,106   | £1,718,670   | £1,708,096   | £0  | £3,489,872   |
| Leicestershire                   | £428,346  | £764,895   | £1,062,584   | £0  | £2,255,825   |
| Lincolnshire                     | £2,057,779  | £386,950   | £636,107   | £0  | £3,080,836   |
| Merseyside                       | £0  | £1,751,347   | £2,320,749   | £0  | £4,072,096   |
| Norfolk                          | £2,079,305  | £535,849   | £823,521   | £0  | £3,438,675   |
| North Wales                      | £1,537,085  | £669,767   | £904,594   | £0  | £3,111,446   |
| North Yorkshire                  | £2,009,523  | £471,271   | £886,159   | £0  | £3,366,953   |
| Northamptonshire                 | £715,936  | £479,432   | £722,808   | £0  | £1,918,176   |
| Northumbria                      | £0  | £930,972   | £2,124,245   | £0  | £3,055,217   |
| Nottinghamshire                  | £0  | £467,588   | £1,321,756   | £0  | £1,789,344   |
| South Wales                      | £0  | £1,059,664   | £1,578,666   | £0  | £2,638,330   |
| South Yorkshire                  | £0  | £1,098,826   | £1,628,510   | £0  | £2,727,336   |
| Staffordshire                    | £267,339  | £950,871   | £1,204,376   | £0  | £2,422,586   |
| Suffolk                          | £1,405,084  | £528,685   | £611,559   | £0  | £2,545,328   |
| Surrey                           | £10,721   | £725,739   | £982,780   | £1,402,890  | £3,122,130   |
| Sussex                           | £537,875  | £1,663,903   | £1,528,307   | £1,104,210  | £4,834,295   |
| Thames Valley                    | £1,238,801  | £1,633,389   | £2,022,897   | £2,851,530  | £7,746,617   |
| Warwickshire                     | £565,193  | £261,293   | £543,588   | £0  | £1,370,074   |
| West Mercia                      | £2,336,615  | £973,968   | £1,156,449   | £0  | £4,467,032   |
| West Midlands                    | £0  | £3,728,989   | £3,799,905   | £0  | £7,528,894   |
| West Yorkshire                   | £0  | £1,908,972   | £2,415,747   | £0  | £4,324,719   |
| Wiltshire                        | £1,094,268  | £508,361   | £580,699   | £0  | £2,183,328   |
| <b>Total England &amp; Wales</b> | <b>£30,000,000</b>                                      | <b>£45,652,136</b>                                 | <b>£68,999,995</b>   | <b>£47,899,511</b>  | <b>£192,551,642</b>                                |

## **8. Conclusion**

8.1 This Report is made by the Secretary of State under section 46 of the Police Act 1996. It is laid before the House of Commons in accordance with that section.

8.2 The financial year for which the Report operates is that beginning on 1 April 2007.

15 January 2007

Tony McNulty  
Minister of State for the Home Department

The approval of the Treasury has been obtained to the making of the determination specified in paragraph 2.1 and paragraph 3.1 of this Report.

Claire Ward  
Frank Roy

15 January 2007

Two of the Lords Commissioners of  
Her Majesty's Treasury.

## Annex A

### Definition of indicators used in the principal formula used to calculate police grant

Unless otherwise stated, data used to construct indicators for the calculation of police grant are those available to the Secretary of State on 1 October 2005 concerning the constituent authorities of the authority providing policing services relevant to the calculation of police grant.

Constituent authorities for this purpose, and in the definition of population density below, are the relevant billing authorities (in whole or in part) whose area is contained within the area of the authority providing policing services. Each of the following is a billing authority a) in England, a district council, a London Borough Council, the Common Council of the City of London, the Council of the Isles of Scilly and a county council which has the functions of a district council; and b) in Wales, a county council and a county borough council.

Data used to construct indicators for this purpose for constituent authorities which are reorganised authorities comprise such data available, unless otherwise stated, on 1 October 2005 concerning the predecessor authorities, or parts of the predecessor authorities, as the Secretary of State considers appropriate. A reorganised authority is an authority subject to a structural, or a structural and boundary change which came into effect on 1 April 1995, 1 April 1996, 1 April 1997, 1 April 1998, 1 April 1999, or 1 April 2000 and which is made by an order under section 17 of the Local Government Act 1992 or under the Local Government Act 1972, as amended by section 1 of the Local Government (Wales) Act 1994, or those where boundaries have been altered under section 323 of the Greater London Authority Act 1999.

|   |  |
|---|--|
| <b>PROJECTED POPULATION IN 2007</b>               | For English authority areas, the projected total resident population in 2007, as estimated by the Registrar General. For Welsh authority areas, the projected total resident population in 2007, as estimated by the First Secretary of State using information from the National Assembly for Wales and the Registrar General.  |
| <b>DAYTIME NET INFLOW PER RESIDENT POPULATION</b> | <p>The result of:</p> <ul style="list-style-type: none"><li>(i) The number of persons working but not resident in the police authority's area <i>minus</i> the number of persons resident in but working outside the police authority's area, calculated using information from the 2001 Census; <i>divided by</i></li><li>(ii) The resident population of the authority, calculated using information from the 2001 Census.</li></ul> |
| <b>PROJECTED DAYTIME POPULATION IN 2007</b>       | <p>The sum of:</p> <ul style="list-style-type: none"><li>(i) The <b>PROJECTED POPULATION IN 2007</b> (as defined above); and</li><li>(ii) The number of persons working but not resident in the police authority's area; <i>minus</i> the number of persons resident in but working outside the police authority's area, calculated using information from the 2001 Census.</li></ul>  |
| <b>HARD PRESSED</b>                               | The proportion of household residents living in areas classified as ACORN category Hard Pressed, as defined in ACORN data produced by CACI Limited, based upon information from the 2001 Census and the updated ACORN classification released at the end of 2004.  |

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| <b>LONG TERM<br/>UNEMPLOYMENT-<br/>RELATED<br/>BENEFIT<br/>CLAIMANTS</b>                                   | The number of claimants of unemployment-related benefits, currently Jobseeker's Allowance and National Insurance credits, with a duration of unemployment of more than one year, averaged over the period between May 2002 and April 2005, calculated using monthly information provided by the Office for National Statistics through NOMIS, <i>divided</i> by the sum of the number of resident males aged 18-64 years and the number of resident females aged 18-59 years at 30 June 2004, as estimated by the Registrar General. |
| <b>YOUNG MALE<br/>UNEMPLOYMENT-<br/>RELATED BENEFIT<br/>CLAIMANTS</b>                                      | The number of claimants of unemployment-related benefits, currently Jobseeker's Allowance and National Insurance credits, who were male and aged under 25 years, averaged over the period between May 2002 and April 2005, calculated using monthly information provided by the Office for National Statistics through NOMIS, <i>divided</i> by the sum of the number of resident males aged 18-64 years and the number of resident females aged 18-59 years at 30 June 2004, as estimated by the Registrar General.                 |
| <b>INCOME SUPPORT/<br/>INCOME BASED<br/>JSA/GUARANTEED<br/>ELEMENT OF<br/>PENSION CREDIT<br/>CLAIMANTS</b> | The number of Income Support/Income based Jobseekers Allowance/Guaranteed Element of Pension Credit claimants, over a period between August 2001 and August 2004, using annual scans made at the end of August of each year, as estimated by the Secretary of State for Work and Pensions, <i>divided</i> by the resident population at 30 June 2004, as estimated by the Registrar General.   |
| <b>TERRACED<br/>HOUSEHOLDS</b>   | The proportion of households which are terraced, including end terraced, calculated using information from the 2001 Census.  |
| <b>RESIDENTS IN<br/>ROUTINE/SEMI<br/>OCCUPATIONS<br/>OR NEVER<br/>WORKED/<br/>LONG TERM<br/>UNEMPLOYED</b> | The proportion of residents in routine or semi-routine occupations or who have never worked or are long term unemployed, calculated using information from the 2001 Census.  |
| <b>WEALTHY<br/>ACHIEVERS</b>   | The proportion of household residents living in areas classified as ACORN category 'Wealthy Achievers', as defined in ACORN data produced by CACI Limited, based upon information from the 2001 Census and the updated ACORN classification released at the end of 2004.   |
| <b>STUDENT<br/>HOUSING</b>   | The proportion of households that contain all students, calculated using information from the 2001 Census.   |
| <b>SINGLE<br/>PARENT<br/>HOUSEHOLDS</b>  | The proportion of households which are lone parent households with dependant children, calculated using information from the 2001 Census.  |
| <b>LOG OF<br/>OVERCROWDED<br/>HOUSEHOLDS</b>   | The natural logarithm <sup>6</sup> of:<br><br>The proportion of overcrowded households with an occupancy rating of "-1 or less", calculated by using information from the 2001 Census.   |

|  |   |
|--|---|
| <b>LOG OF BARS PER<br/>100 HECTARES</b>        | <p>The natural logarithm<sup>6</sup> of:</p> <p>The number of units that are bars (<i>defined as Standard Industrial Classification (SIC) 55.4 – BARS</i>), as estimated by the First Secretary of State, based on information provided by the Office for National Statistics from the 2003 Annual Business Inquiry; <i>divided</i> by the number of hectares, using information from the 2001 Census; the result is then <i>multiplied</i> by 100.</p>   |
| <b>POPULATION<br/>DENSITY</b>                  | <p>The resident population at 30 June 2004 for each output area within an authority, as estimated by the Registrar General; <i>divided</i> by the area of the local authority in hectares, using information from the 2001 Census.</p>  |
| <b>POPULATION<br/>SPARSITY</b>                 | <p>The population sparsity of each local authority measured at Output Area level. The sum of:</p> <ul style="list-style-type: none"> <li>(i) 2 multiplied by the resident population of those Census Output Areas within the area of the authority at the 2001 Census with 0.5 or less residents per hectare, divided by the total resident population of the authority, calculated using information from the 2001 Census; and</li> <li>(ii) The resident population of those census output areas within the area of the authority at the 2001 Census with more than 0.5 but less than or equal to 4 residents per hectare, divided by the total resident population of the authority, calculated using information from the 2001 Census.</li> </ul> <p>Output Areas were introduced by the Office for National Statistics as the smallest units of output for the 2001 Census. In England and Wales they have a minimum size of 100 residents and 40 households. They are based on Census day postcodes and fit within the boundaries of 2003 statistical wards (and parishes).</p> |
| <b>LOG OF<br/>POPULATION<br/>SPARSITY</b>      | <p>The natural logarithm<sup>6</sup> of <b>POPULATION SPARSITY</b> (as defined above).</p>  |
| <b>POLICE GRANT<br/>RATE</b>                   | <p>The proportion of police revenue expenditure in England and Wales for 2007/2008 as estimated by the Secretary of State for the Home Department, which is to be met directly by the aggregate of police grant calculated under section 5 of this report.</p>  |
| <b>AREA COST<br/>ADJUSTMENT<br/>FOR POLICE</b> | <p>A factor calculated to reflect differences in the costs of providing police services across the country. It is generally based on information derived from the following sources: the 2002, 2003 and 2004 Annual Survey of Hours and Earnings provided by the Office for National Statistics; Subjective Analysis Return 2003/04; Base Estimate Returns 1992/93; rateable values and hereditaments at 1 August 2005 from the Inland Revenue; estimates of office hereditaments and floorspace as at 2004; gross non-domestic rates and increases and reductions in rate yields, as supplied by authorities to the First Secretary of State on the National Non-Domestic Rates Provisional Contributions Return 2005/06; and the total resident population as at 30 June 2004, as estimated by the Registrar General. This factor is given in Annex C.</p>  |

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<sup>6</sup> The natural logarithm is also known as the Napierian log or log to the base e.

## **Annex B**

### **Scaling Factor**

The scaling factor used in paragraph 5.6(e) of the report is:

0.999996669223915

# Annex C

## Area Cost Adjustment Factors

| <i>Area Cost Adjustment Factors</i>  |               |
|--------------------------------------|---------------|
| <b>Police Authority</b>              | <b>Factor</b> |
| Avon and Somerset                    | 1.0300        |
| Bedfordshire                         | 1.0601        |
| Cambridgeshire                       | 1.0551        |
| Cheshire                             | 1.0206        |
| Common Council of the City of London | 1.5226        |
| Essex                                | 1.0434        |
| Gloucestershire                      | 1.0240        |
| Greater London Authority             | 1.1910        |
| Greater Manchester                   | 1.0227        |
| Hampshire                            | 1.0485        |
| Hertfordshire                        | 1.1073        |
| Kent                                 | 1.0221        |
| Leicestershire                       | 1.0089        |
| Northamptonshire                     | 1.0228        |
| South Wales                          | 1.0065        |
| Surrey                               | 1.1520        |
| Sussex                               | 1.0207        |
| Thames Valley                        | 1.1137        |
| Warwickshire                         | 1.0249        |
| West Midlands                        | 1.0206        |
| West Yorkshire                       | 1.0105        |
| Wiltshire                            | 1.0310        |

## **Annex D**

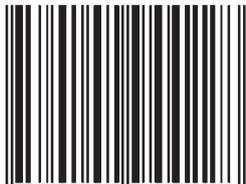
### **Sum of (e) for all police authorities**

The sum of (e) for all police authorities used in paragraph 5.6(f) of the report is:

630,788,275.469859



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