

Home Office

**POLICE GRANT
(ENGLAND AND WALES)**

**THE POLICE GRANT
REPORT
(ENGLAND AND WALES)
2005/06**

**AMENDING REPORT
2005/06**

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AMENDING REPORT 2005/06

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 31 January 2006*

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1. Introduction

1.1 This Amending Report is made 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 and contains amendments to the basis of distribution specified in The Police Grant Report (England & Wales) 2005/06 ('the Police Grant Report').

1.2 Before making this Amending Report, the Secretary of State notified to such representatives of local government as appeared to him to be appropriate the general nature of the amendments which he proposed to make.

2. Amendments

2.1 The purpose of the Amending Report is to take account of adjustments to pensions' projections for Derbyshire and Lancashire used to determine 2005/06 pension allocations. The impact of these changes to grant allocated on the basis of the needs-based principal formula is described in section 4 below.

2.2 There is no change to the special payment to the Greater London Authority on behalf of the Metropolitan Police Authority that was set by the Home Secretary at £217,000,000.

2.3 Police grant recoverable from, or payable to, police authorities as a result of revised 2005/06 allocations will be deducted from or added to the grant payments allocated on the basis of the principal formula for 2006/07.

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 in accordance with paragraph 3.1 of the Police Grant Report (and set out in column (a) below) shall be varied to the amount shown against the name of that authority in column (b) in the following Table. Accordingly, the amount of grant payable to, or recoverable from each police authority, is set out in column (c) of the following Table.

	Original Allocation under Principal Formula (a) ¹	Amended Allocation under Principal Formula (b)	Difference (c)
Avon & Somerset	£105,402,108	£105,374,042	-£28,066
Bedfordshire	£40,023,541	£40,015,600	-£7,941
Cambridgeshire	£49,442,382	£49,431,707	-£10,675
Cheshire	£68,770,973	£68,755,939	-£15,034
City of London	£35,730,725	£35,721,877	-£8,848
Cleveland	£50,961,807	£50,949,531	-£12,276
Cumbria	£36,571,836	£36,562,062	-£9,774
Derbyshire	£63,185,709	£64,125,958	£940,249
Devon & Cornwall	£107,153,408	£107,128,539	-£24,869
Dorset	£41,766,284	£41,754,454	-£11,830
Durham	£49,236,202	£49,224,531	-£11,671
Dyfed-Powys	£32,334,347	£32,326,002	-£8,345
Essex	£100,515,508	£100,494,053	-£21,455
Gloucestershire	£37,862,044	£37,851,585	-£10,459
Greater London Authority	£1,177,238,422	£1,177,017,744	-£220,678
Greater Manchester	£233,165,923	£233,114,548	-£51,375
Gwent	£43,457,567	£43,447,785	-£9,782
Hampshire	£121,044,966	£121,017,955	-£27,011
Hertfordshire	£68,902,843	£68,890,362	-£12,481
Humberside	£68,511,918	£68,495,887	-£16,031
Kent	£111,375,782	£111,349,861	-£25,921
Lancashire	£111,620,010	£111,649,268	£29,258
Leicestershire	£65,595,990	£65,581,905	-£14,085
Lincolnshire	£40,040,556	£40,028,777	-£11,779
Merseyside	£139,875,905	£139,834,799	-£41,106
Norfolk	£53,393,173	£53,380,535	-£12,638
North Wales	£47,530,016	£47,518,407	-£11,609
North Yorkshire	£47,213,578	£47,201,306	-£12,272
Northamptonshire	£42,629,754	£42,621,206	-£8,548
Northumbria	£130,020,176	£129,990,402	-£29,774
Nottinghamshire	£77,502,952	£77,482,376	-£20,576
South Wales	£97,992,838	£97,966,162	-£26,676
South Yorkshire	£103,862,931	£103,839,850	-£23,081
Staffordshire	£68,021,216	£68,003,265	-£17,951
Suffolk	£42,856,865	£42,846,919	-£9,946
Surrey	£57,790,652	£57,778,442	-£12,210
Sussex	£99,329,967	£99,305,702	-£24,265
Thames Valley	£139,463,100	£139,439,908	-£23,192
Warwickshire	£32,902,060	£32,894,477	-£7,583
West Mercia	£70,433,269	£70,418,244	-£15,025
West Midlands	£244,071,010	£244,021,552	-£49,458
West Yorkshire	£179,462,922	£179,419,089	-£43,833
Wiltshire	£39,680,765	£39,671,387	-£9,378
Total England & Wales	£4,573,944,000	£4,573,944,000	£0

¹ Column (a) replicates the figures at paragraph 3.1 of the Police Grant Report 2005/06.

4. Principal Formula to be applied by the Home Secretary

4.1 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 4.5 below.

4.2 The main determinants in the principal formula are the resident population, the daytime population (taking account of commuters and visitors) and police pensions. Cost adjustments are built into this formula for the socio-economic and other characteristics of police force areas and for differences in the costs of provision between areas.

4.3 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 or motorway lengths.

4.4 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 grants to be allocated by means of the principal formula. This scaling factor is given in **Annex B**.

4.5 The Police grant for a particular police authority consists of a basic amount per resident, a basic amount per person present in the authority during a 24 hour period (i.e. residents plus commuters plus visitors) and top-ups for deprivation, density, sparsity and area costs.

Basic amounts

Police Basic Amount 1	£30.49
Police Basic Amount 2	£37.76

Top-Ups

Police Deprivation Top-Up 1	£0.85	<i>multiplied by POLICE INDEX I; plus</i>
	£1.28	<i>multiplied by POLICE INDEX III; plus</i>
	£32.49	<i>multiplied by HOUSEHOLDS RENTING; plus</i>
	£107.33	<i>multiplied by RESIDENTS IN OVERCROWDED HOUSEHOLDS; plus;</i>
	£5.47	<i>multiplied by STRIVING POPULATION; plus</i>
	£116.36	<i>multiplied by YOUNG MALE UNEMPLOYMENT-RELATED BENEFIT CLAIMANTS.</i>
Police Deprivation Top-Up 2	£1.24	<i>multiplied by POLICE INDEX II;</i>
Police Density Top-Up 1	£0.79	<i>multiplied by POPULATION DENSITY; minus</i>
	£2.84	<i>multiplied by POPULATION SPARSITY;</i>
Police Density Top-Up 2	£2.43	<i>multiplied by POPULATION DENSITY</i>
Police Sparsity Top-Up	£4.69	<i>multiplied by POPULATION SPARSITY</i>

4.6 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) **DAYTIME POPULATION** multiplied by the result of:
POLICE BASIC AMOUNT 1; plus
POLICE DEPRIVATION TOP-UP 1; plus
POLICE DENSITY TOP-UP 1;
- (b) **RESIDENT POPULATION** multiplied by the result of:
POLICE BASIC AMOUNT 2; plus
POLICE DEPRIVATION TOP-UP 2; plus
POLICE DENSITY TOP-UP 2; plus
POLICE SPARSITY TOP-UP;
- (c) The sum of:

£1,388.76 multiplied by BUILT-UP ROAD LENGTHS; plus
£13,908.75 multiplied by MOTORWAY LENGTHS;
- (d) The results of (a) to (c) inclusive are added together and the result is multiplied by **AREA COST ADJUSTMENT FOR POLICE**;
- (e) The result of (d) is then added to the sum of **SECURITY EXPENDITURE** and **POLICE PENSIONS**;
- (f) The result of (e) is then multiplied by the **BOUNDARY CHANGE FACTOR**;
- (g) The result of (f) is then multiplied by **POLICE GRANT RATE**;
- (h) The result of (g) is then multiplied by the scaling factor given in Annex B.

5. Conclusion

5.1 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.

5.2 The financial year for which the Report operates is that which began on 1 April 2005.

24 January 2006

Hazel Blears
Minister of State for the Home Department

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

Dave Watts
Gillian Merron

25 January 2006

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

The majority of the data used to construct indicators for the calculation of police grant are those that were available to the Secretary of State on 1 October 2004 concerning the constituent authorities of the authority providing policing services relevant to the calculation of police grant. However, the projected amount of net expenditure on police pensions for the financial year 2005/06 uses revised information provided by the Government Actuary's Department in September 2005.

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 2004 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.

RESIDENT POPULATION	The total resident population at 30 June 2003 as estimated by the Registrar General.
DAYTIME POPULATION	The sum of: <ul style="list-style-type: none">(i) RESIDENT POPULATION (as defined above); and(ii) The number of persons working but not resident in the authority's area <i>minus</i> the number of persons resident in but working outside the authority's area, as estimated by the First Secretary of State and the National Assembly for Wales using information from the 1991 Census, and information on armed forces provided by the Registrar General and the Ministry of Defence; and(iii) The annual average number of nights stayed by domestic and foreign visitors in the authority's area, <i>divided</i> by 365, as estimated by the First Secretary of State, and(iv) The annual number of day visitors to the authority's area, <i>divided</i> by 365, as estimated by the First Secretary of State using information provided by the Secretary of State for Culture, the Media and Sport.
<i>Overnight visitors</i>	The estimate at (iii) is generally based on information from the United Kingdom Tourism Surveys (1995 to 2003), for domestic visitors; and from the International Passenger Surveys (2001 to 2003) and the 1991 Census for foreign visitors.
<i>Day visitors</i>	The estimate at (iv) is based on research commissioned by the Department of National Heritage generally using information from the Leisure Day Visits Survey 1988/89, the 1991 Census, the 1991 Survey of Visits to Tourist Attractions undertaken by the National Tourist Boards, the 1991 Census of Employment and other information about urban areas, National Parks, areas of outstanding natural beauty and official bathing beaches. The information used for this purpose is that available to the Secretary of State for National Heritage on 1 November 1993.

HOUSEHOLDS RENTING	The proportion of households living in rented accommodation in permanent buildings, calculated using information from the 1991 Census.
RESIDENTS IN TERRACED ACCOMMODATION	The proportion of household residents living in unshared terraced, purpose built dwellings in permanent buildings, calculated using information from the 1991 Census.
RESIDENTS IN LONE PARENT FAMILIES	The proportion of household residents living in a lone parent family with at least one dependent child, calculated using information from the 1991 Census.
RESIDENTS IN OVERCROWDED HOUSEHOLDS	The proportion of household residents living in accommodation with more than one person per room, calculated using information from the 1991 Census.
ONE ADULT HOUSEHOLDS	The proportion of households containing only one person aged 16 years or over, calculated using information from the 1991 Census.
STRIVING POPULATION	The proportion of residents living in areas classified as ACORN Category F - striving as estimated by the Secretary of State for the Home Department using information provided by CACI Limited.
UNEMPLOYMENT- RELATED BENEFIT CLAIMANTS	The average number of claimants of unemployment-related benefits, currently Jobseeker's Allowance and National Insurance credits, over the period between May 2001 and April 2004, 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 2003, as estimated by the Registrar General.
LONG TERM UNEMPLOYMENT- RELATED BENEFIT CLAIMANTS	The proportion of claimants of unemployment-related benefits, currently Jobseekers Allowance and National Insurance credits, with a duration of unemployment of more than one year averaged over the period between May 2001 and April 2004, calculated using monthly information provided by the Office for National Statistics through NOMIS.
YOUNG MALE UNEMPLOYMENT- RELATED BENEFIT CLAIMANTS	The proportion of claimants of unemployment-related benefits, currently Jobseeker's Allowance and National Insurance credits, who were male and aged under 25 averaged over the period between May 2001 and April 2004, calculated using monthly information provided by the Office for National Statistics through NOMIS.
POPULATION DENSITY	<p>The number of residents per hectare for each enumeration district within the area of each constituent authority of the authority providing police services, as at the 1991 Census, <i>multiplied</i> by that enumeration district's share of the total resident population in the constituent authority, calculated using information from the 1991 Census and information provided by the National Assembly for Wales.</p> <p>The results of the above calculation for each enumeration district within the area of each constituent authority are added together, and the sum is then generally <i>multiplied</i> by the ratio of the total resident population at 30 June 2003 to the total resident population at 30 June 1991, as estimated by the Registrar General.</p> <p>The figures for the constituent authorities have been weighted in proportion to the total resident population at 30 June 2003, as estimated by the Registrar General, to determine the indicator.</p> <p>The indicator is the result of the above calculations <i>divided</i> by 10.</p>

POPULATION SPARSITY	<p>The sum of:</p> <ul style="list-style-type: none"> (i) 2 <i>multiplied</i> by the resident population of those enumeration districts within the area of the authority at the 1991 Census with 0.5 or less residents per hectare, <i>divided</i> by the total resident population of the authority, calculated using information from the 1991 Census and the National Assembly for Wales; and (ii) The resident population of those enumeration districts within the area of the authority at the 1991 Census with more than 0.5 but less than or equal to 4 residents per hectare, <i>divided</i> by the total resident population of the authority, calculated using information from the 1991 Census and the National Assembly for Wales.
BUILT-UP ROAD LENGTHS	The length (in kilometres) of trunk, principal and other roads which are subject to a speed limit not exceeding 40 miles per hour, where the lengths of roads relate to the position at 1 April 2004 as estimated by the Secretary of State for Transport and the National Assembly for Wales.
MOTORWAY LENGTHS	The length (in kilometres) of trunk and principal motorways, where the lengths of motorway relate to the position at 1 April 2004, as estimated by the Secretary of State for Transport and the National Assembly for Wales.
POLICE PENSIONS	The projected amount of net expenditure in respect of police pensions for the financial year 2005/2006 as estimated by the Secretary of State for the Home Department using information provided by the Government Actuary's Department in September 2005.
SECURITY EXPENDITURE	The amount of expenditure in 2005/2006 on certain security-related commitments. The estimate of expenditure is based on information available to the Secretary of State for the Home Department on or by 1 October 2004.
POLICE INDEX I	<p>The sum of the following factors (each of which is calculated to 4 decimal places):</p> <ul style="list-style-type: none"> (i) RESIDENTS IN TERRACED ACCOMMODATION (as defined above); <i>minus</i> 0.3079, and <i>divided by</i> 0.0627; and (ii) STRIVING POPULATION (as defined above); <i>minus</i> 0.2019, and <i>divided by</i> 0.0894; and (iii) RESIDENTS IN LONE PARENT FAMILIES (as defined above); <i>minus</i> 0.0614 and <i>divided by</i> 0.0145; and (iv) ONE ADULT HOUSEHOLDS (as defined above); <i>minus</i> 0.3024, and <i>divided by</i> 0.0342.
POLICE INDEX II	<p>The sum of the following factors (each of which is calculated to 4 decimal places):</p> <ul style="list-style-type: none"> (i) STRIVING POPULATION (as defined above); <i>minus</i> 0.2019, and <i>divided by</i> 0.0894; and (ii) RESIDENTS IN LONE PARENT FAMILIES (as defined above); <i>minus</i> 0.0614, and <i>divided by</i> 0.0145; and (iii) HOUSEHOLDS RENTING (as defined above); <i>minus</i> 0.3213, and <i>divided by</i> 0.0632; and

- (iv) **LONG TERM UNEMPLOYMENT-RELATED BENEFIT CLAIMANTS** (as defined above); *minus* 0.1509, and *divided by* 0.0376.

POLICE INDEX III

The sum of the following factors (each of which is calculated to 4 decimal places):

- (i) **RESIDENTS IN TERRACED ACCOMMODATION** (as defined above); *minus* 0.3079 and *divided by* 0.0627; and
- (ii) **STRIVING POPULATION** (as defined above) *minus* 0.2019, and *divided by* 0.0894; and
- (iii) **RESIDENTS IN LONE PARENT FAMILIES** (as defined above); *minus* 0.0614, and *divided by* 0.0145; and
- (iv) **HOUSEHOLDS RENTING** (as defined above); *minus* 0.3213, and *divided by* 0.0632; and
- (v) **ONE ADULT HOUSEHOLDS** (as defined above); *minus* 0.3024, and *divided by* 0.0342; and
- (vi) **UNEMPLOYMENT-RELATED BENEFIT CLAIMANTS** (as defined above); *minus* 0.0255, and *divided by* 0.0095.

**BOUNDARY
CHANGE
FACTOR**

A factor to reflect the need to adjust for any of the boundary changes set out in Annex D. The factor is based on information available in November 2004 on the size of the resident population transferring as a result of the boundary changes.

**POLICE GRANT
RATE**

The proportion of police revenue expenditure in England and Wales for 2005/2006, 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 4 of this Report.

**AREA COST
ADJUSTMENT
FOR POLICE**

A factor calculated to reflect differences in the cost of providing police services across the country. The factor is given in Annex C. It is generally based on information derived from the following sources: the 2001, 2002 and 2003 New Earnings Surveys provided by the Office for National Statistics; Base Estimate Returns 1992/93; rateable values and hereditaments at 1 August 2004 from the Inland Revenue; estimates of office hereditaments and floorspace as at 2003; 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 2004/2005; and the total resident population at 30 June 2003, as estimated by the Registrar General.

Annex B

Scaling Factor

The scaling factor used in paragraph 4.6(h) of the report is:

1.00008623702824

Annex C

Area Cost Adjustment Factors

<i>Area Cost Adjustment Factors</i>	
Police Authority	Factor
Avon and Somerset	1.0285
Bedfordshire	1.0574
Cambridgeshire	1.0566
Cheshire	1.0262
Common Council of the City of London	1.5309
Essex	1.0434
Gloucestershire	1.0239
Greater London Authority	1.1905
Greater Manchester	1.0222
Hampshire	1.0485
Hertfordshire	1.1098
Kent	1.0237
Leicestershire	1.0049
Northamptonshire	1.0268
Suffolk	1.0050
Surrey	1.1574
Sussex	1.0283
Thames Valley	1.1143
Warwickshire	1.0321
West Midlands	1.0290
West Yorkshire	1.0124
Wiltshire	1.0369

Note: The area cost adjustment factor for all other police authorities is 1.

Annex D

Boundary Changes

The boundary change, pursuant to the order made on 13 October 2004, and listed in this Annex, is taken into account for the purposes of the **BOUNDARY CHANGE FACTOR**. The boundary change has not otherwise been taken into account when calculating the indicators listed in Annex A.

The size of the population transfer has been estimated by the Home Secretary using information provided by the Office of National Statistics in November 2004.

SI 2004/2746 The Neath Port Talbot and Powys (Cwmtwrch) Order 2004

Transfer of population from South Wales Police to Dyfed-Powys Police.

Boundary Change Factors Used:

Dyfed-Powys – 1.00022458617

South Wales – 0.99990768125

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