

Home Office

POLICE GRANT (ENGLAND AND WALES)

THE POLICE GRANT REPORT (ENGLAND AND WALES) 2004/05

AMENDING REPORT 2005/06

LONDON: The Stationery Office
HC 847

£5.10

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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*

LONDON: The Stationery Office
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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) 2004/05 ('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 revisions to Census 2001 population data by The Office of National Statistics. The impact of the 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 £207,000,000.

2.3 Police grant recoverable from, or payable to, police authorities as a result of revised 2004/05 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	£99,125,691	£99,402,484	£276,793
Bedfordshire	£38,042,531	£37,904,767	-£137,764
Cambridgeshire	£46,576,977	£46,545,536	-£31,441
Cheshire	£66,566,930	£66,386,025	-£180,905
City of London	£32,721,468	£32,594,019	-£127,449
Cleveland	£47,387,781	£48,302,694	£914,913
Cumbria	£34,780,111	£34,673,333	-£106,778
Derbyshire	£61,522,366	£61,902,721	£380,355
Devon & Cornwall	£103,062,803	£102,855,500	-£207,303
Dorset	£40,137,675	£40,040,682	-£96,993
Durham	£47,311,229	£47,293,519	-£17,710
Dyfed-Powys	£30,821,707	£30,730,150	-£91,557
Essex	£96,185,263	£95,989,136	-£196,127
Gloucestershire	£36,225,217	£36,092,822	-£132,395
Greater London Authority	£1,123,084,093	£1,124,505,276	£1,421,183
Greater Manchester	£223,748,169	£224,041,667	£293,498
Gwent	£41,172,592	£41,109,067	-£63,525
Hampshire	£117,214,067	£116,841,405	-£372,662
Hertfordshire	£66,002,916	£65,890,673	-£112,243
Humberside	£65,944,334	£66,305,253	£360,919
Kent	£105,806,169	£105,622,024	-£184,145
Lancashire	£107,607,882	£107,446,835	-£161,047
Leicestershire	£61,490,493	£61,362,961	-£127,532
Lincolnshire	£37,928,015	£37,785,682	-£142,333
Merseyside	£135,220,409	£135,352,682	£132,273
Norfolk	£50,952,938	£50,868,104	-£84,834
North Wales	£45,563,347	£45,435,673	-£127,674
North Yorkshire	£45,448,481	£45,364,249	-£84,232
Northamptonshire	£41,055,295	£40,954,213	-£101,082
Northumbria	£124,859,764	£125,435,319	£575,555
Nottinghamshire	£74,153,661	£74,025,795	-£127,866
South Wales	£94,481,939	£94,688,393	£206,454
South Yorkshire	£99,736,023	£99,678,030	-£57,993
Staffordshire	£64,865,495	£64,736,349	-£129,146
Suffolk	£40,383,362	£40,278,468	-£104,894
Surrey	£54,987,597	£54,896,624	-£90,973
Sussex	£96,355,063	£96,186,396	-£168,667
Thames Valley	£134,382,372	£134,307,491	-£74,881
Warwickshire	£31,521,336	£31,485,048	-£36,288
West Mercia	£68,584,593	£68,373,549	-£211,044
West Midlands	£235,943,043	£235,584,140	-£358,903
West Yorkshire	£172,834,553	£172,620,583	-£213,970
Wiltshire	£38,148,250	£38,048,663	-£99,587
Total England & Wales	£4,379,944,000	£4,379,944,000	£0

¹ Column (a) replicates the figures at paragraph 3.1 of the Police Grant Report 2004/05.

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	£29.36
Police Basic Amount 2	£36.29

Top-Ups

Police Deprivation Top-Up 1	£0.82	<i>multiplied by POLICE INDEX I; plus £1.27 multiplied by POLICE INDEX III; plus £31.23 multiplied by HOUSEHOLDS RENTING; plus £103.19 multiplied by RESIDENTS IN OVERCROWDED HOUSEHOLDS; plus; £5.26 multiplied by STRIVING POPULATION; plus £115.16 multiplied by YOUNG MALE UNEMPLOYMENT-RELATED BENEFIT CLAIMANTS.</i>
Police Deprivation Top-Up 2	£1.19	<i>multiplied by POLICE INDEX II;</i>
Police Density Top-Up 1	£0.76	<i>multiplied by POPULATION DENSITY; minus £2.73 multiplied by POPULATION SPARSITY;</i>
Police Density Top-Up 2	£2.34	<i>multiplied by POPULATION DENSITY</i>
Police Sparsity Top-Up	£4.51	<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:

£1,339.03 multiplied by BUILT-UP ROAD LENGTHS; *plus*
£13,410.72 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 **POLICE GRANT RATE**;
- (g) The result of (f) 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 2004.

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.

25 January 2006

Dave Watts
Gillian Merron

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 2003 concerning the constituent authorities of the authority providing policing services relevant to the calculation of police grant. However, the population estimates used to construct indicators for the calculation of police grant are the revised mid year 2001 estimates released by ONS in September 2004.

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 2003 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 2002 as estimated by the Registrar General and published on 9 September 2004.
DAYTIME POPULATION	<p>The sum of:</p> <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 (1994 to 2002), for domestic visitors; and from the International Passenger Surveys (2000 to 2002) 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 2000 and April 2003, calculated using monthly information provided by the Office for National Statistics through the National Online Manpower Information System (NOMIS), divided 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 2002, as estimated by the Registrar General and published on 9 September 2004.
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 2000 and April 2003, 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 2000 and April 2003, calculated using monthly information provided by the Office for National Statistics through NOMIS.
POPULATION DENSITY	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, multiplied 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.
	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 multiplied by the ratio of the total resident population at 30 June 2002 as estimated by the Registrar General and published on 9 September 2004, to the total resident population at 30 June 1991, as estimated by the Registrar General.

The figures for the constituent authorities have been weighted in proportion to the total resident population at 30 June 2002, as estimated by the Registrar General and published on 9 September 2004, to determine the indicator.

The indicator is the result of the above calculations *divided* by 10.

POPULATION SPARSITY

The sum of:

- (i) $2 \text{ multiplied by the resident population of those enumeration districts within the area of the authority at the 1991 Census with } 0.5 \text{ or less residents per hectare, divided by the total resident population of the authority, calculated using information from the 1991 Census and the National Assembly for Wales; and}$
- (ii) $\text{The resident population of those enumeration districts within the area of the authority at the 1991 Census with more than } 0.5 \text{ but less than or equal to } 4 \text{ residents per hectare, divided by the total resident population of the authority, calculated using information from the 1991 Census and the National Assembly for Wales.}$

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 2003 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 2003, 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 2004/2005 as estimated by the Secretary of State for the Home Department using information provided by the Government Actuary's Department.

SECURITY EXPENDITURE

The amount of expenditure in 2004/2005 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 2003.

POLICE INDEX I

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

- (i) **RESIDENTS IN TERRACED ACCOMMODATION** (as defined above); *minus* 0.3080, and *divided by* 0.0627; and
- (ii) **STRIVING POPULATION** (as defined above); *minus* 0.2013, and *divided by* 0.0891; and
- (iii) **RESIDENTS IN LONE PARENT FAMILIES** (as defined above); *minus* 0.0615 and *divided by* 0.0145; and
- (iv) **ONE ADULT HOUSEHOLDS** (as defined above); *minus* 0.3025, and *divided by* 0.0342.

POLICE INDEX II

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

- (i) **STRIVING POPULATION** (as defined above); *minus* 0.2013, and *divided by* 0.0891; and

- (ii) **RESIDENTS IN LONE PARENT FAMILIES** (as defined above); *minus 0.0615, and divided by 0.0145;* and
- (iii) **HOUSEHOLDS RENTING** (as defined above); *minus 0.3213, and divided by 0.0632;* and
- (iv) **LONG TERM UNEMPLOYMENT-RELATED BENEFIT CLAIMANTS** (as defined above); *minus 0.1707, and divided by 0.0404.*

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 0.3080 and divided by 0.0627;* and
- (ii) **STRIVING POPULATION** (as defined above) *minus 0.2013, and divided by 0.0891;* and
- (iii) **RESIDENTS IN LONE PARENT FAMILIES** (as defined above); *minus 0.0615, 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 0.3025, and divided by 0.0342;* and
- (vi) **UNEMPLOYMENT-RELATED BENEFIT CLAIMANTS** (as defined above); *minus 0.0268, and divided by 0.0102.*

POLICE GRANT RATE The proportion of police revenue expenditure in England and Wales for 2004/2005, 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 2000, 2001, and 2002 New Earnings Surveys provided by the Office for National Statistics; Base Estimate Returns 1992/93; rateable values and hereditaments at 1 August 2003 from the Inland Revenue; estimates of office hereditaments and floorspace as at 2002; 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 2003/2004; and the total resident population at 30 June 2002, as estimated by the Registrar General and published on 9 September 2004. This factor is given in Annex C.

Annex B

Scaling Factor

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

1.0001138757325

Annex C

Area Cost Adjustment Factors

Area Cost Adjustment Factors	
Police Authority	Factor
Avon and Somerset	1.0242
Bedfordshire	1.0573
Cambridgeshire	1.0529
Cheshire	1.0242
Common Council of the City of London	1.5320
Essex	1.0430
Gloucestershire	1.0245
Greater London Authority	1.1872
Greater Manchester	1.0212
Hampshire	1.0471
Hertfordshire	1.1137
Kent	1.0292
Merseyside	1.0099
Northamptonshire	1.0317
South Wales	1.0055
Surrey	1.1588
Sussex	1.0313
Thames Valley	1.1175
Warwickshire	1.0396
West Midlands	1.0310
West Yorkshire	1.0117
Wiltshire	1.0358

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

ISBN 0-10-293680-3



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