

Home Office

**POLICE GRANT
(ENGLAND AND WALES)**

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

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

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 30 January 2004*

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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 2004/05, 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 authority¹ 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 by 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 2004/05.

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.

1 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 £4,379,944,000.

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 2004/05² is the amount shown against its name in column (a) of the Table below.

	(a) ³ Allocation under Principal Formula
Avon & Somerset	£99,125,691
Bedfordshire	£38,042,531
Cambridgeshire	£46,576,977
Cheshire	£66,566,930
City of London	£32,721,468
Cleveland	£47,387,781
Cumbria	£34,780,111
Derbyshire	£61,522,366
Devon & Cornwall	£103,062,803
Dorset	£40,137,675
Durham	£47,311,229
Dyfed-Powys	£30,821,707
Essex	£96,185,263
Gloucestershire	£36,225,217
Greater London Authority	£1,123,084,093
Greater Manchester	£223,748,169
Gwent	£41,172,592
Hampshire	£117,214,067
Hertfordshire	£66,002,916
Humberside	£65,944,334
Kent	£105,806,169
Lancashire	£107,607,882
Leicestershire	£61,490,493
Lincolnshire	£37,928,015
Merseyside	£135,220,409
Norfolk	£50,952,938
North Wales	£45,563,347
North Yorkshire	£45,448,481
Northamptonshire	£41,055,295
Northumbria	£124,859,764
Nottinghamshire	£74,153,661
South Wales	£94,481,939
South Yorkshire	£99,736,023
Staffordshire	£64,865,495
Suffolk	£40,383,362
Surrey	£54,987,597
Sussex	£96,355,063
Thames Valley	£134,382,372
Warwickshire	£31,521,336
West Mercia	£68,584,593
West Midlands	£235,943,043
West Yorkshire	£172,834,553
Wiltshire	£38,148,250
Total England & Wales	£4,379,944,000

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 in paragraph 4.4 of this Report.

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 grants on the basis set out in paragraphs 4.3 and 4.4 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 £207,000,000.

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 5.6 below.

5.2 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.

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 or motorway lengths.

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 grants 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 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	£29.42
Police Basic Amount 2	£36.38

Top-Ups

Police Deprivation Top-Up 1	£0.82	<i>multiplied by</i> POLICE INDEX I ; plus
	£1.27	<i>multiplied by</i> POLICE INDEX III ; plus
	£31.32	<i>multiplied by</i> HOUSEHOLDS RENTING ; plus
	£103.49	<i>multiplied by</i> RESIDENTS IN OVERCROWDED HOUSEHOLDS ; plus;
	£5.28	<i>multiplied by</i> STRIVING POPULATION ; plus
	£115.33	<i>multiplied by</i> YOUNG MALE UNEMPLOYMENT-RELATED BENEFIT CLAIMANTS .
Police Deprivation Top-Up 2	£1.19	<i>multiplied by</i> POLICE INDEX II ;
Police Density Top-Up 1	£0.76	<i>multiplied by</i> POPULATION DENSITY ; minus
	£2.74	<i>multiplied by</i> POPULATION SPARSITY ;
Police Density Top-Up 2	£2.35	<i>multiplied by</i> POPULATION DENSITY
Police Sparsity Top-Up	£4.51	<i>multiplied by</i> POPULATION SPARSITY

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) **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:

£1,339.51 multiplied by BUILT-UP ROAD LENGTHS; plus

£13,415.58 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.

6. Conclusion

6.1 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.

6.2 The financial year for which the Report is to operate is that beginning on 1 April 2004. The determination in this Report may be varied by a further determination set out in a further Report under section 46 of the 1996 Act.

27 January 2004

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 2.1 and paragraph 3.1 of this Report.

28 January 2004

Jim Murphy
John Heppell
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 2003 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 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.
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 police authority's area <i>minus</i> the number of persons resident in but working outside the police 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 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 police 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 Passengers Surveys (2000 to 2002) and the 1991 Census for foreign visitors.
<i>Day visitors</i>	The estimate at (iv) is based on 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, as estimated by the First Secretary of State, calculated using monthly information provided by the Office for National Statistics through the National Online Manpower Information System (NOMIS), <i>divided by</i> 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.
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, as estimated by the First Secretary of State, 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, as estimated by the First Secretary of State, 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 by</i> 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 by</i> the ratio of the total resident population at 30 June 2002 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 2002, as estimated by the Registrar General, to determine the indicator.</p> <p>The indicator is the result of the above calculations <i>divided by</i> 10.</p>

POPULATION SPARSITY	<p>The sum of:</p> <ul style="list-style-type: none"> (i) <i>2 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 by</i> 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 by</i> 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	<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> 0.3087, and <i>divided by</i> 0.0619; and (ii) STRIVING POPULATION (as defined above); <i>minus</i> 0.2114, and <i>divided by</i> 0.1021; and (iii) RESIDENTS IN LONE PARENT FAMILIES (as defined above); <i>minus</i> 0.0615 and <i>divided by</i> 0.0139; and (iv) ONE ADULT HOUSEHOLDS (as defined above); <i>minus</i> 0.3025, and <i>divided by</i> 0.0325.
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> 0.2114, and <i>divided by</i> 0.1021; and (ii) RESIDENTS IN LONE PARENT FAMILIES (as defined above); <i>minus</i> 0.0615, and <i>divided by</i> 0.0139; and (iii) HOUSEHOLDS RENTING (as defined above); <i>minus</i> 0.3216, and <i>divided by</i> 0.0600; and

- (iv) **LONG TERM UNEMPLOYMENT-RELATED BENEFIT CLAIMANTS** (as defined above); *minus* 0.2684, and *divided by* 0.0575.

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* 0.3087 and *divided by* 0.0619; and
- (ii) **STRIVING POPULATION** (as defined above) *minus* 0.2114, and *divided by* 0.1021; and
- (iii) **RESIDENTS IN LONE PARENT FAMILIES** (as defined above); *minus* 0.0615, and *divided by* 0.0139; and
- (iv) **HOUSEHOLDS RENTING** (as defined above); *minus* 0.3216, and *divided by* 0.0600; and
- (v) **ONE ADULT HOUSEHOLDS** (as defined above); *minus* 0.3025, and *divided by* 0.0325; and
- (vi) **UNEMPLOYMENT-RELATED BENEFIT CLAIMANTS** (as defined above); *minus* 0.0637, and *divided by* 0.0163.

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 5 of this Report.

AREA COST ADJUSTMENT FOR POLICE

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 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 2003/04; and the total resident population at 30 June 2002, as estimated by the Registrar General. This factor is given in Annex C.

Annex B

Scaling Factor

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

1.00003200839377

Annex C

<i>Area Cost Adjustment Factors</i>	
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	1.0431
Gloucestershire	1.0245
Greater London Authority	1.1867
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	1.1176
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.

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