



House of Commons
Home Affairs Committee

**Police Service Strength:
Government Response
to the Committee's
Fifth Report of Session
2009–10**

Fifth Special Report of Session 2009–10

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The Home Affairs Committee

The Home Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Home Office and its associated public bodies.

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Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via www.parliament.uk.

Publication

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at www.parliament.uk/homeaffairscom. A list of Reports of the Committee since Session 2005–06 is at the back of this volume.

Committee staff

The current staff of the Committee are Elizabeth Flood (Clerk), Eliot Barrass (Second Clerk), Elisabeth Bates (Committee Specialist), Sarah Petit (Committee Specialist), Darren Hackett (Senior Committee Assistant), Sheryl Dinsdale (Committee Assistant) and Jessica Bridges-Palmer (Select Committee Media Officer).

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Report



On 26 January 2010 the Home Affairs Committee published its Fifth Report of Session 2009–10, *Police Service Strength*, HC 50. The Government's response to the Report is in the form of a letter dated 18 March 2010 to our Chair from Mr David Hanson MP, Minister of State at the Home Office, and is published as an Appendix to this Special Report.

Government response

I was pleased by the positive report that supported the actions being taken by the Government and the Police Service in England and Wales to maximise frontline and visible policing using the Government's record investment in policing.

The Committee published its report "Police Service Strength" on 26 January 2010 and included a number of recommendations. The Home Office has considered the recommendations and the Government response is provided below.

Policing remains a top priority for us and we have invested significantly in it. Since 1997, the government grant to the police has increased by £3.6 billion which broadly equates to almost an 18% real terms increase. Even in tougher economic times, we have provided the police with a generous settlement honouring our commitment in each year of the three year spending review, as promised in 2007/08. This Government has made a commitment to protect frontline policing. We will provide sufficient funding in the years to 2012/13 to enable police authorities to maintain current numbers of warranted police officers, police community support officers and other staff exercising police powers.

There has been substantial investment in policing by the Government since 2000 when the Crime Fighting Fund was introduced to recruit 9,650 more police officers over and above police authorities' own plans for growth. Between April 2000 and September 2009 police officer strength has increased by 20,155 to 142,688. At the same time police staff numbers have increased by 26,258 to 82,340, freeing police officers for frontline duties. We introduced Police Community Support Officers (PCSOs) in 2002 and by September 2009 their number was 16,632.

1. Figures provided to us by forces in England and Wales show overall rises in both the number of police officers and the number of police staff employed across the service over the past five years. Overall rises of 4.8% and 15.9% respectively appear to indicate that reports of reduced service strength are unjustified. However, figures varied significantly between forces, with 13 reporting a reduction in officer levels over the same period. In the majority of these forces, reductions were linked to workforce modernisation initiatives and were therefore accompanied by large increases in staff levels. Only a small minority admitted that they were obliged to make cuts because of funding shortfalls, blamed in part on the current distribution of the police national grant. Witnesses also warned that the rise in officer numbers was largely the product of an increase in specific grant-funded posts, particularly in the area of counter-terrorism, which obscure the trends and could be withdrawn at any point. (Paragraph 13)

Government Response

We are of course pleased to hear that only a small minority have stated that funding shortfalls is a reason for officer cuts. We have reconvened the Police Allocation Formula Working Group in a bid to improve the current police allocation formula and so the way funding is distributed between forces. The group aims to finish discussions shortly and will put forward recommendations for public consultation.

The Crime Fighting Fund (CFF) (introduced in April 2000) has contributed to historically high police officer numbers. The Fund has been ongoing since 2000 and the police service will receive £277 million in 2010/11. The police allocation formula is based on relative needs and is beneficial in allocating resources where they are needed. It is for Chief Constables and the police authority to then determine how they will allocate the funds and what percentage of the money they will use against officer posts. We have frequently relayed the message that it is not just officer numbers that are important, but outcomes for the public which matter most.

The Government's Counter Terrorism Strategy, CONTEST, is clear that tackling the threat we face from international terrorism remains an important challenge and the role of the police in this is key. The Government has demonstrated its commitment to the police counter terrorism effort by investing record levels of funding to this area of work. This year, the Home Office has granted more than £600m to the police to support counter terrorism policing, funding around 7,700 dedicated police officers and investing in the development of the national CT Network and its infrastructure and capability. This is an increase of about 30% over the level of investment in this work 3 years ago. The distribution of counter terrorism funding is subject to continual review, in consultation with the Association of Chief Police Officers, Police Authorities and the wider stakeholder community. The Government will set out its plans for future police counter terrorism funding in the next Spending Review.

2. On the basis of provisional financial information from the Government, some forces are planning to cut officer numbers in the next financial year, others are not, depending on their overall financial position. The position after 2011 is unclear as the Government has given no indication of funding settlements beyond that point; however, all forces believe they will be expected to make significant spending cuts. (Paragraph 22)

Government Response

In the 2007 Comprehensive Spending Review and in previous spending reviews the Government set departmental budgets for three-year periods in order to provide greater certainty to departments and frontline delivery bodies. No decision has yet been made on the timing of the next spending review. Nevertheless the Government has made a commitment in the Pre-Budget Report to protect frontline policing. We will provide sufficient funding in the years to 2012/13 to enable police authorities to maintain current numbers of warranted police officers, police community support officers and other staff exercising police powers.

3. There is a general commitment to protect frontline services across the police service, but there is a limit to the extent to which this will be possible. We see no reason to dispute the Association of Chief Police Officers' assertion that forces may be able to manage up to 5% spending cuts without affecting uniformed officer budgets, but would struggle to protect these budgets beyond this. Moreover, significant longer-term efficiencies require an element of up-front investment; it may therefore be counter-productive to impose spending cuts at this stage. (Paragraph 23)

Government Response

The White Paper “Protecting the Public: Supporting the Police to Succeed” (published on 2 December 2009) sets out how the police service will deliver better value for money. This will involve both:

- Increasing frontline delivery for the public by the equivalent of at least £500 million a year through working to improve business processes.
- Saving at least £545 million a year through better procurement of goods and services, convergence of information systems and infrastructure, reducing overtime spending and streamlining support services.

4. The police service has greatly appreciated the advent of three-year Comprehensive Spending Reviews, which have increased their ability to plan over the medium term. We endorse this approach to financial planning and recommend that a further Review is carried out as soon as possible. (Paragraph 24)

Government Response

In the 2007 Comprehensive Spending Review and in previous spending reviews the Government set departmental budgets for three-year periods in order to provide greater certainty to departments and frontline delivery bodies. We are pleased that the three year Comprehensive Spending Reviews have been widely welcomed and endorsed by the Committee. No decision has yet been made on the timing of the next spending review.

5. We are pleased that the police has made a commitment to protect frontline policing, which incorporates not only the kind of visible policing activity so valued by members of the public but also a number of important business areas that are less immediately perceptible to them. However, there is a limit to the efficiency savings the police service can generate from rationalising back-office support or making cuts to other parts of their budgets. Given that almost 88% of police budgets are spent on the workforce, we agree with the Association of Chief Police Officers that the service should pursue innovative means of service delivery that can allow it to operate with a reduced workforce, if necessary, as a means of managing spending cuts. (Paragraph 30)

Government Response

The Government welcomes the Committee's recognition of the increased funding of 2.7% for the police in 2010/11 and the commitment by the Government to enable police authorities to maintain current numbers of warranted police officers, police community support officers and other staff exercising police powers to 2013/14. The White Paper sets out how at least £545m pa of savings will be made by 2013/14, without affecting frontline workforce numbers by:

- better procurement (at least £200m pa)
- the Information Systems Improvement Strategy (ISIS) which will require that all spending on IT infrastructure and other ICT should be consistent with the nationally agreed ISIS frameworks (at least £200m pa)

- reducing overtime (at least £70m pa)
- streamlining support services (at least £75m pa).

At the same time the Government expects the Police Service to have used process improvement to increase frontline delivery to the public by the equivalent of, at least, £500 million a year by 2013/14.

6. It has become clear to us that voluntary mergers, in the right circumstances, can enable forces to make substantial savings. We are pleased that the Home Office is supporting voluntary mergers by announcing a new voluntary merger exploration fund of £500,000. This is a good first step, but is a drop in the ocean given the costs involved in setting up a merger—the potential merger between Bedfordshire and Hertfordshire would be likely to cost £20m, for example. We urge the Government to consider how forces and authorities can be assisted with managing the up-front cost of reorganisation. The long-term financial benefits should make this area of investment a priority. (Paragraph 36)

Government Response

The Government has made clear that it supports the voluntary merger between police forces and authorities when key conditions can be met. Mergers would be likely to release longer term financial savings for the forces and authorities involved—it is therefore right that the primary responsibility for investing in the changes required to release such savings should fall to forces and authorities. However, we recognise that this upfront investment can be seen as a barrier; for that reason the recent Policing White Paper made clear the Government's intention to consider—in consultation with ACPO and the APA—mechanisms that would support Police Authorities in managing these costs, by April 2010.

7. In the right circumstances, the private sector can provide the police with expertise they may lack, value for money in service delivery and a source of up-front investment. In the past, private sector involvement in policing has tended to develop in a piecemeal fashion across the service. This has not only made the contractual process difficult for individual forces, it has meant that the service has lost opportunities to achieve economies of scale. The Home Office and the National Policing Improvement Agency should take a pro-active lead in determining appropriate forms of private sector involvement in police support services, and support a consistent approach to their application where this is deemed beneficial to individual police forces and the communities they serve. (Paragraph 49)

Government Response

The White Paper sets out a number of options for forces to consider in order to reduce the cost of support services. These include outsourcing as well as lead force arrangements, sharing services with other local partners, process improvement and centralisation of services within a force. The report of the High Level Working Group on Police Value for Money (HLWG), published on 2 February 2010 and available at:

<http://police.homeoffice.gov.uk/publications/human-resources/value-for-money-report2835>

commits the HLWG (comprising representatives of the tri-partite partners, together with HMIC and the NPIA) to considering, nationally, what else is required for such arrangements, including national shared services and further opportunities to outsource services.

8. One of the major barriers some forces face in maximising their resources is the current distribution of the police national grant, which means that just under half of them receive less than they are allocated under the funding formula. There is disagreement across the police service about Sir Ronnie Flanagan's recommendation that it should move to a fuller application of the formula. Understandably, those areas that are disadvantaged by the damping mechanism feel unfairly treated; and those who receive more money because of it fear the consequences of its removal. The Government is committed to reviewing this issue by 2011. It may be the case that, rather than tweaking its application, the entire means by which money is allocated to forces should be reviewed. If more forces move towards voluntary mergers, as we hope they will do, the Government will need to address the implications for both national and local funding streams. (Paragraph 49)

Government Response

We have stated that, in line with Sir Ronnie Flanagan's recommendation, it is our intention to move to full implementation of the formula at the fastest pace that is compatible with ensuring financial stability of all police authorities. In doing so we will take into account that damping currently allows for stability in forces' planning.

The Police Allocation Formula Working Group reconvened in September 2008 and is due to conclude its discussions shortly. Its aim was to review the current method of allocating resources and assess whether this method needed to be changed. Representatives from all forces were invited to make representations. Discussions generally show that the current formula works well and ways to improve it further are being developed. Following the group's final decisions in March, Ministers will agree on proposals to be put forward for public consultation.

9. We recognise the importance of the council tax precept in allowing forces to raise funds for service delivery improvements, and its particular value to those forces who are disadvantaged by the current application of the funding formula. The Association of Chief Police Officers warned of a significant impact on service delivery should council tax rises be capped at below 3%. We are therefore pleased that the Government is setting the cap for this year at 5%. However, in our view, local police authorities should have the discretion to raise funds according to their needs, provided this is done in consultation with stakeholders including local residents and local authorities. (Paragraph 53)

Government Response

In 2009/10 the capping principles were that an authority's budget requirement was deemed excessive if it set: a budget requirement increase of more than 4% and a council tax increase of more than 5% in the same period. Surrey and Derbyshire had exceeded both principles and were therefore subject to capping action. Greater Manchester Police had set a higher

council tax increase but were within the 4% increase threshold with the budget requirement they set and thus were not capped.

We have not made any assurances about the capping principles for 2010/11. The Government expects the average Band D council tax increase in England to fall to a 16 year low in 2010–11, having been 3.0% in 2009/10, but no other decisions have been made. The government has provided a generous settlement to the police, especially in economically challenging times. There is no excuse for excessive council tax increases. Grant increases from Government, tough capping and rigorous enforcement of the new burdens procedures have helped bring down council tax increases.