

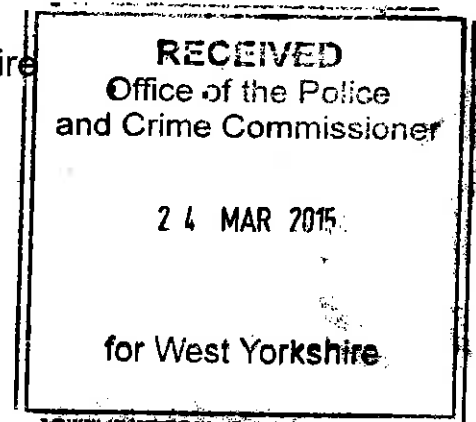


Home Office

Rt Hon Mike Penning MP  
Minister of State for Policing, Criminal  
Justice and Victims

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*Dear Mark*

Thank you for your letter of 23 January to the Home Secretary, which has been treated as a response to the consultation on the provisional police funding settlement for 2015/16. I am replying as the Minister of State for Policing, Criminal Justice and Victims.

I acknowledge your concerns about the police funding settlement for 2015/16 and how this will affect the level of service delivered to the communities of West Yorkshire. After careful consideration of all Home Office budgets and the impact of the Chancellor's 2013 Autumn Statement, the Home Secretary and I have decided to maintain the 4.9 per cent real terms headline reduction to overall central Government funding to the police announced at Spending Round 2013.

While we understand that the police funding settlement is challenging, Chief Constables and Police and Crime Commissioners (PCCs) have demonstrated that, with reform, it is possible to deliver more for less and to prioritise available resources at the frontline. There is no question that the police will still have the resources to do their important work.

I note your point about future reductions to the Home Office DEL and how this will affect the policing budget. The Chancellor of the Exchequer has made clear that sustained economic stability will require difficult decisions about public spending to continue into the next Parliament. However, I must emphasise that no specific decisions have been taken regarding police funding beyond March 2016. Funding beyond 2015/16 will be a matter for the next Government. I acknowledge your concerns about damping.

While we recognise the concerns of some forces over the effects of damping it helps maintain funding stability from year to year. This is a fair, transparent and straightforward approach. It ensures that all force areas receive the same percentage cut and is also the basis on which I know the majority of PCCs and forces have been planning.

Your letter also mentions the review of the Police Allocation Formula. Determining how funding should be allocated to the police in the future is a complex and important matter which requires careful consideration and will take time. The first phase of this work, an internal analytical review, is nearing completion. We will consult with the full range of partners at an appropriate point in the development of this work.

You raise concerns about the increased reallocations from core police funding. While I appreciate that each PCC is of course concerned about their local budget, it is important to look at the wider context. Reallocations from the resource settlement represent less than 2.5 per cent of overall core Government funding to the police in 2015/16. We consider it entirely appropriate and necessary to use some of the overall police funding settlement to strengthen key bodies such as the Independent Police Complaints Commission and Her Majesty's Inspectorate of Constabulary and to promote innovation to help drive efficiencies and improve policing through the innovation fund.

I note your point about charging for Police ICT and the National Police Coordination Centre (NPoCC). We have made efforts to minimise the number of functions funded through reallocations from core Government funding where possible.

In terms of Police ICT, the principle of charging is an important step in ensuring accountability and transparency for PCCs when considering their budgets. PCCs will be charged the exact cost, rather than a projected cost being reallocated through the police settlement at the beginning of the financial year. The end of funding the NPoCC through a reallocation will also provide greater transparency for police forces. This will also give PCCs and Chief Constables greater oversight in how their funding is used and support the Strategic Policing Requirement.

You raise concerns about the council tax referendum principles, and in particular, that the costs of a referendum would undermine the democratic mandate of the PCC.

The Government's priority is to help people with their cost of living – allowing council tax increases beyond the threshold (2% in 2015/16) without a referendum would be inconsistent with this. It is up to PCCs to explain to people locally why an increase above the referendum threshold would benefit policing locally. In 2015, subject to the agreement of local Returning Officers, it is possible for PCCs to reduce the cost of holding a referendum by conducting it alongside the General Election vote.

In terms of your request for previous referendum principles to be considered, it should never be assumed that principles in one year will also apply in another year. It is appropriate that all local authorities, including PCCs, play their part in keeping the cost of living down and protecting council tax payers from excessive council tax increases.

You ask for the Home Office to publish indicative allocations beyond 2015/16. I understand your concerns, but as I am sure you appreciate, the Home Office will not be able to take a view on funding principles and processes until the priorities of the next Government have been decided.

I appreciate your concerns about the later announcement of capital allocations this year and the impact this had on your financial planning. However, Ministers wished to consider the full range of options before taking any decisions on capital reallocations.

I hope that this clarifies the Government's position on these matters.

Regards  
MP

**Rt Hon Mike Penning MP**