
Chair of the UK Statistics Authority, Sir David Norgrove

Dame Vera Baird QC
Victory House
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Newcastle upon Tyne
NE12 8EW

29 September 2017

Dear Dame Vera,

Thank-you for your recent letter, in which you and your colleagues raised concerns about the accuracy of various Ministerial statements about police funding.¹

Police funding is complicated, with different spending review commitments at the national level and for police forces. Our detailed analysis is set out in the Annex to this letter. Having reviewed the statements you mention, and the relevant source material, the Authority has concluded that the statements are generally consistent with the spending review commitments made in 2015.

We agree there is a risk that statements about overall real terms protection for police funding could be misinterpreted by the public to mean individual police budgets have been given the same protection. It is important that Ministers and others are precise in the language they use to reduce this risk.

You ask whether potential precept and police transformation funding should be taken into account. We consider that including these funding sources in statements about overall police funding is appropriate, provided assumptions are made clear in the presentation of figures. Precept funding assumptions were not included in the Written Answers provided by the Rt Hon Brandon Lewis MP, on 3 February 2017² or Nick Hurd MP, on 27 June 2017.³

We also believe that there is a requirement for more coherent and accessible information about police funding, as illustrated by the fact that your letter is not the first time we have been asked for clarification.⁴ To that end we have previously⁵ asked colleagues in the Home Office to consider a regular publication of information about police funding in a single

¹ [Letter from Dame Vera Baird to UK Statistics Authority](#) (July 2017)

² [Written Answer to Parliamentary Question 61870](#) (Answered 3 February 2017)

³ [Written Answer to Parliament Question 786](#) (Answered 27 June 2017)

⁴ See for example: [Letter from Sir Andrew Dilnot to Andy Burnham](#) (March 2016); [Letter to Sir Andrew Dilnot regarding Police Grant Report](#) (March 2016); [Letter from Sir Andrew Dilnot to Rt Hon Theresa May MP](#) (March 2016); [Letter from Andy Burnham to Sir Andrew Dilnot](#) (April 2016); and, [Letter from Sir Andrew Dilnot to Andy Burnham](#) (July 2016).

⁵ [Letter from Sir Andrew Dilnot to Rt Hon Theresa May MP](#) (March 2016)

document and will continue to urge them to do this. This should be timely, comprehensive, coherent and understandable, with contextual details, user-input, and preferably with some longer-term time series data, in accordance with the *Code of Practice for Statistics*.

Yours sincerely,

A handwritten signature in black ink that reads "David Norgrove". The signature is written in a cursive, slightly slanted style.

Sir David Norgrove

Annexed material

Available data and police funding statements

In considering the issues raised in your correspondence, the Authority examined:

- the commitments made to protect the overall police budget in real terms and individual forces' budgets in cash terms within the 2015 Autumn Statement and Spending Review¹; and
- information about police spending, published in December 2015, within the 2016/17 police grant report and accompanying tables (Table 1),² and updated information for 2016/17 and 2017/18 (Table 2).³

Table 1: The 2015 Spending Review settlement for the police (adapted from table published in the Policing Minister's Written Ministerial Statement, 17 December 2015²)

	15/16* (£m)	16/17 (£m)	17/18 (£m)	18/19 £m)	19/20 (£m)	Change (£m)	Cash change (%)	Real change (%)**
Government Funding (excluding counter terrorism)	8,271	8,378	8,497	8,631	8,785	514	6.2%	-1.4%
<i>Of which: Home Office</i>	<i>8,099</i>	<i>8,204</i>	<i>8,321</i>	<i>8,453</i>	<i>8,604</i>	<i>506</i>	<i>6.2%</i>	<i>-1.4%</i>
<i>Of which: Department for Communities and Local Government***</i>	<i>37</i>	<i>37</i>	<i>37</i>	<i>37</i>	<i>37</i>	<i>0</i>	<i>0.0%</i>	<i>-7.2%</i>
<i>Of which: Welsh Government***</i>	<i>135</i>	<i>137</i>	<i>139</i>	<i>141</i>	<i>143</i>	<i>8</i>	<i>6.2%</i>	<i>-1.4%</i>
Council tax income	3,105	3,194	3,286	3,379	3,474	369	11.9%	3.8%
Total	11,376	11,572	11,783	12,010	12,259	883	7.8%	0.0%

*Central government funding includes funding for communications technology infrastructure (Airwave) which has been brought into the police settlement and council tax freeze grant amounts which were not known at the time of the 2015/16 annual police settlement.

**Real term change calculations are based on GDP deflators.

***Some funding for policing comes from other government departments.

¹ [Spending Review and Autumn Statement Documents](#)

² Detailed commitments for overall police spending in the five-year spending review period between 2015/16 and 2019/20 were published in December 2015, available [here](#).

³ [Written Statement HCWS360 on the Police Grant Report](#) (15 December 2016)

Table 2: 2016/17 and 2017/18 updated settlement for the police based on actual Council Tax precept income⁴

	16/17 (£m)	17/18 (£m)
Government Funding (excluding counter terrorism)	8,378	8,497
<i>Of which: Home Office</i>	8,204	8,321
<i>Of which: Department for Communities and Local Government</i>	37	37
<i>Of which: Welsh Government</i>	137	139
Council tax income	3,214	3,357
Total	11,592	11,854

What the data show

According to these documents, just over a quarter (28%) of the overall police budget set out in the 2015 Spending Review is due to be met by local council tax.

Police and Crime Commissioners (PCCs) and the Mayors of London and Greater Manchester use council tax to fund their services (this is known as levying a precept). The 2015 Spending Review commitments rely on PCCs/Mayors raising the maximum amounts from council tax that they are allowed to, before needing a referendum.^{2,5}

The 2016/17 police grant report,² published in December 2015, indicates that - providing PCCs and Mayors maximise their council tax income - spending is forecast to increase from £11.4 billion in 2015/16 to £12.3 billion in 2019/20. This represents a 7.8% increase in cash terms and a 0% change in real terms, once inflation (based on GDP deflators) is taken into account.

Within the overall budget, central government spending (counter terrorism excepted) was budgeted to decrease by 1.4% in real terms over the spending review period (while the contribution from local council tax income was budgeted to increase by 3.8% in real terms). Funding for counter terrorism initiatives, some of which is allocated to national and local police budgets, was budgeted to increase by 30% in real terms over the spending review period. The distribution of this funding is not made public for security reasons and is not used in the calculation of whether overall spending has been maintained in real terms.

We have also looked at developments since the publication of the 2015 Spending Review. In particular, Council Tax receipts have been higher than originally projected and inflation estimates have been updated. After taking into account this new information, overall police spending for 2016/17 was £11,592 million and for 2017/18 was £11,854 million.⁴ These figures are in line with the commitment set out in the Spending Review to maintain overall spending in real terms.

All local policing bodies, except for the Greater London Authority (GLA), received the same or more funding in 2017/18 than in 2015/16 in cash terms (but not real terms).⁶ The GLA received less funding in cash terms because the Mayor of London reduced their council tax income in 2016/17 rather than maximising it. The reduction was around £6 million (from £2,517 million to £2,511 million).

⁴ Total police spending figures including actual (rather than projected) precept income are not routinely published. Table 2 presents figures for 2016/17 and 2017/18 supplied to OSR by the Home Office, based on figures published by the [Department for Communities and Local Government](#) and [Welsh Government](#).

⁵ In England this varies by area but is 2% in most places; it is fixed in Wales at 2% (council tax referendums are not held in Wales).

⁶ [Written Statement HCWS360](#) (15 December 2016) – see accompanying tables

Conclusions

On this basis, the Authority has concluded that many of the statements you refer to in your letter regarding police spending are generally consistent with the spending review commitments made in 2015, and most were clear about the assumptions for the Council Tax precept.

However, two Written Answers provided by Ministers did not include any details about precept assumptions and we believe they should have done:

- The Rt Hon Brandon Lewis MP on 3 February 2017: “*This Government has maintained protection for police spending in a fair provisional funding deal for policing*”.⁷
- Nick Hurd MP on 27 June 2017: “*The 2015 Spending Review protected overall police spending in real terms, and the 2017/18 police funding settlement maintained that protection.*”⁸

We also believe there is a risk that statements about overall real terms protection for police funding could be misinterpreted by the public to mean individual police budgets have been given the same protection. Greater precision in the language used by Ministers would reduce this risk.

Furthermore, it is the Authority’s view that more could be done to improve the coherency, and accessibility of police funding statistics. These data are clearly of public interest. To that end, we will continue to urge the Home Office to consider publishing police funding data, in line with the *Code of Practice for Statistics*, in a single document to ensure that these data are:

- coherent – with all funding sources presented in a single publication, rather than across multiple outputs;
- accessible - with supplementary commentary to explain technical or complex aspects; and
- user-focused - produced following effective engagement with users to assess their needs (for example, requests for longer time-series data).

⁷ [Written Answer to Parliamentary Question 61870](#) (Answered 3 February 2017)

⁸ [Written Answer to Parliament Question 786](#) (Answered 27 June 2017)