



Police and Crime Commissioners,

21 July 2015

## **Consultation on reform of police funding arrangements in England and Wales**

Today we have launched a consultation on reform of the current arrangements for allocating central Government funding to the 43 police force areas in England and Wales, which is available at <https://www.gov.uk/government/consultations/reforming-police-funding-arrangements-in-england-and-wales>.

Since 2010, we have introduced a wide-ranging programme of reform to policing. We have given officers back their professional responsibility by abolishing targets and bureaucratic accountability; ensured the police are accountable to the people they serve through Police and Crime Commissioners who are themselves accountable to communities; established the College of Policing to set professional standards and strengthened the Independent Police Complaints Commission and Her Majesty's Inspector of Constabulary to ensure they are adhered to.

Police reform is working. These changes have helped the police to deliver significant improvements while supporting the country to reduce the budget deficit. Frontline services have been protected, with the proportion of officers on the frontline increasing, and public confidence is rising. Thanks to the important work of officers and staff, crime has reduced by more than a quarter since 2010, according to the Independent Crime Survey for England and Wales.

We must now finish the job of police reform. To achieve this, it is essential that the way the police forces in England and Wales are centrally funded is fair across all 43 forces, transparent to Police and Crime Commissioners and forces, and stable in the long term. Core Government grant funding accounts for the vast majority of the funding they receive from the Government. This

totalled £7.8bn in 2015/16, representing 90% of the overall Police Grant Settlement.

In the consultation, we propose a new, simplified allocation model which will enable funding to be provided sustainably to, and allocated fairly between, Police and Crime Commissioners in England and Wales. These proposals are based on a fundamental review of the existing arrangements which found that the current model - which is nearly ten years old - is complex and opaque, a view shared by many Chief Constables, Police and Crime Commissioners and Her Majesty's Inspectorate of Constabulary.

We outline the overarching principles of the new approach and invite responses on these principles. We also seek views on a number of key decisions, such as how to manage the transition from the current approach to the new model and whether to simplify further the way in which legacy council tax grants are managed. The Government's ambition is to implement this new model from 2016/17, subject to securing broad support for the approach.

The consultation does not consider the wider policy of reallocations from core police grant, which include the Police Innovation Fund and funding for central policing bodies, nor does it apply to the overall total or allocation of the Counter Terrorism Grant, which this Government has ring-fenced.

The consultation period runs until 5pm on Tuesday 15 September and responses can be submitted online at <https://www.gov.uk/government/consultations/reforming-police-funding-arrangements-in-england-and-wales> or sent by email to [policefundingconsultation@homeoffice.gsi.gov.uk](mailto:policefundingconsultation@homeoffice.gsi.gov.uk) .

I am absolutely committed to ensuring that we deliver a police funding model for the future which is fair, robust and transparent, and I look forward to receiving your responses to this consultation.

I am copying this letter to Chief Constables, the College of Policing, the Association of Police and Crime Commissioners and the chair of the National Police Chiefs' Council.

A handwritten signature in black ink, appearing to read "Mike Penning", with a horizontal line underneath it.

The Rt Hon Mike Penning MP