



The Rt Hon Theresa May  
Home Secretary  
Home Office  
2 Marsham Street  
London SW1P 4DF

15 September 2015

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

Dear Home Secretary

The APCC welcomes the review and the opportunity to respond to the Home Office consultation. The Association has in the past expressed its significant reservations about the present funding arrangements, and has consistently called for such a review.

As Commissioners have observed in their recent submission to the CSR, the Police service is entering a critical phase in terms of the sustainability of local services in the face of future demands and expectations. Individual PCCs receive between 46% and 85% of their funding from Government grants, so the distribution formula is just as important as the change in the total grant provision.

We are keen to work with Home Office to design the most effective solution for the future, and for the sector as a whole. It is vital that we take the opportunity now presented by the review, and it should be seen as part of a wider discussion about Policing at national, regional and local levels.

However, the APCC feels that it must place on record its concern and disappointment over the lack of invitation to contribute to the review since 2012. We feel that this was a missed opportunity. It has been compounded by the abnormally short consultation period - largely over the summer - and the critical gaps in explanatory and technical material which have made it impossible to arrive at a proper understanding of the proposals in the round, and the changes which will result.

The PCC Treasurers Society (PACCTS) has responded separately, representing the national practitioner perspective. That response does not argue the case for winners and losers, but rather addresses the wider questions of principles and process.

Individual Commissioners will have responded with their specific views reflecting the needs of their local area. The APCC is responding on behalf of all Commissioners, and from a national perspective, and in that context it fully endorses the key sentiments set out by PACCTS.

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The APCC provides support to all  
Police and Crime Commissioners  
and policing governance bodies in  
England and Wales

In particular:

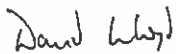
- We are disappointed that the review has not looked beyond Government grants as a source of funding. Our anticipation in 2012 was that other sources of funding such as locally raised revenue, charges, and contributions from other sectors, would be considered. Greater flexibility around local funding, in particular precept strategies, is essential if we are to manage budgets over the next few years as the pressure to meet increasing demands with lower resources increases.
- The absence of exemplifications makes it impossible to provide meaningful answers to many of the specific consultation questions, or to judge if the new formula can be perceived as fair in the round.
- The Government's plans for devolution and public services will mean that the future landscape of Policing will come under the spotlight over the next few years. Structural change and resourcing must go hand in hand. While we acknowledge Home Office's recognition of the need to future proof the system, we have concerns that the narrow perspective adopted in the current review will constrain consideration of some of the future structural options
- Our local experience confirms the increasing significance of non-crime activity. Some of the most pressing changes in demands emanate from this direction, and we are concerned at the lack of recognition within the narrow range of factors currently proposed
- While we support concepts such as transparency and simplicity, we would add a note of caution to the effect that Policing is by its very nature a complex service. Minimising the number of indicators in the grant distribution formula is not necessarily by itself a positive sign that the wide variations in local needs have been provided for.
- We recognise that there will inevitably be choices to be made in the rules governing grant allocation, but we believe that one of the obligations which flow from the principle of 'transparency' is that ministers should explain the rationale behind the exercise of any judgements in drawing up the annual principles for grant distribution.
- We would go further by advocating the merit of establishing an independent scrutiny of grant distribution arrangements, and in particular the extent to which Home Office's principles for grant distribution set out in the consultation paper are being achieved.

You will note in our previous correspondence of the 3<sup>rd</sup> September 2015 (Ref. CSR submission), that we requested a meeting with you to discuss our plans for the Service. May we use this opportunity to reiterate that request.

Kind Regards,



Paddy Tipping  
PCC for Nottinghamshire  
Chair of the APCC Standing Group for Resources, Efficiency and Strategic Finance



David Lloyd  
PCC for Hertfordshire  
Vice Chair of the APCC Standing Group for Resources, Efficiency and Strategic Finance

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

