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27 October 2015

Sent on behalf of the Police and Crime Commissioners for
Cumbria
Devon and Cornwall
Lancashire
London Mayor's Office for Policing and Crime
Merseyside
North Yorkshire
Thames Valley

Rt. Hon. Mike Penning MP
Minister for Policing, Crime and Criminal Justice and Victims
2 Marsham Street
London
SW1P 4DF

Dear Minister

We value the importance that the Home Secretary and her team have placed in policing, and very much appreciate the work you are doing to limit, as far as you are able, the funding reductions from the Treasury expected in November. Notwithstanding our support for you in those matters, our concerns below fall entirely within the gift of the Home Office to resolve.

On behalf of our communities, it is with considerable regret that we write to set out our grave concerns about the conduct and the outcome of the Home Office funding formula review and to alert you to our intention to pursue this matter further, if necessary. We all recognise and agree with the need to reform the current police funding formula arrangements, but the final proposals that have emerged from your Department are unfair, unjustified and deeply flawed, both in terms of their content and the process that has been adopted.

We have raised these concerns with your Department via a range of avenues but have been unable to gain satisfactory answers to the concerns and objections that we have raised.

The process of the consultation has been deeply unfair and inadequate from the outset. The entire process has lacked any transparency or any detail on the rationale behind the indicators chosen and how they would impact on forces. Representations were repeatedly made, on behalf of all PCCs at the Gold Group on Finance and Resource, warning that without more substantial and precise information it would simply not be possible to understand how the new funding model would operate in practice. Despite these concerns no further detail or information emerged during the initial, overly short, consultation period. We are not aware what representations have reached you directly throughout that process, which is why this joint letter is being sent to you personally.

Regrettably, we feel the most recent consultation to be wholly inadequate. We have been given just three weeks to consider and comment on major revisions to the initial proposals. This is not in keeping with the Government's own guidelines on consultation, which were also ignored for the original consultation. Again we have been given no rationale or explanation of the changes that have been made to the measures and no justifiable explanation has been given for the decisions regarding 'non crime'. We recognise that the Home Office has now published an indication of how the proposals will affect forces but the tables contain a number of errors in its allocations to policing areas – they do not reflect the data. These errors will affect the allocations for every policing area and are unacceptable. How can we be expected to have confidence in the robustness of the information provided in the second consultation?

There are also considerable issues of substance with the proposals. They directly contradict the funding 'principles' that have been set out by the Home Office – being neither robust nor transparent. We have serious concerns about the revised indicators and the lack of any explanation or evidence for why they were chosen. For example, the proposals suggest distributing more than £2bn through the commercially-developed "urban adversity" indicator. The details of this indicator and how it was selected have not been disclosed by the Home Office. This lack of transparency when allocating billions of pounds of public money for a vital emergency service is plainly unacceptable, unfair and makes proper scrutiny impossible. The bar density measure is also far from robust. It has a series of perverse impacts – with forces that face comparable challenges and have identical numbers of bars receiving wildly differing levels of funding (such as a variance of £27 million) with no objective justification.

We also have considerable concerns about how transition will be managed. No details have been provided about how transition might operate – without this we cannot know what the true impact will be, or when it will come.

Due to the seriousness of the concerns outlined above, and others made directly to you by forces and Police and Crime Commissioners, we cannot see how the Home Office can proceed further with this review. We believe this process should be halted immediately, and the process redesigned to give forces and Commissioners the information and time they need to make a proper and fair assessment of its consequences on behalf of their communities. The Government has taken these steps before and we would welcome it doing so again.

If this process is not halted, let us be clear on the severity of its impact:

- Lancashire Police's budget will reduce by nearly 14% or £25m per year, resulting in the loss of almost all of its proactive crime fighting and crime prevention capacity by 2020.
- The future viability of Cumbria Police will be in question if the 15.8% or £9.4m per year reduction in their central funding allocation is imposed. Thames Valley will lose at least 2.6% or £5.6m of its annual allocation of national funding.
- The further £5m in additional budget reductions for Merseyside Police will result in drastic cuts across operational policing, including teams responsible for investigating sexual assaults, hate crimes and serious and organised crime to deal with this further cut of over 2%.
- London will lose 11.3% of its central grant, £184m in annual funding for its police service, a sum of money equivalent to the entire budgets of many forces. This loss is equivalent to the loss of 3000 police officers for the capital, on top of the impact of the Comprehensive Spending Review. This is compounded by uncertainty as to any potential available compensation and greater Home Office control over the Mayor's ability, with the Commissioner, to set priorities within the budget.
- Devon and Cornwall Police will lose 8%, more than £13m per year, of its national funding allocation and will require significant job reductions across every area of its activity.
- North Yorkshire will lose just over £4m (over 5% of its national allocation), which equates to the pay bill for approximately 70% of the PCSO establishment, leaving just 10 PCSOs to cover over 3,341 square miles, and a population that changes seasonally, fluctuating between 800,000 permanent residents and approximately 18 million overnight visitors per year.

These impacts, which are based upon your letter to all PCCs of 8th October, will of course be even greater if additional NICC monies are allocated to MOPAC and reduce the total spending envelope made available for the police funding formula.

As you know, this is a milestone moment for the police service in Britain. The decisions the Government makes on funding in the next few months will determine the mission and the manner of policing and community safety in this country for a generation. Police and Crime Commissioners and Chief Constables need clarity, certainty and transparency to prepare their forces and to have a meaningful discussion with the public about the service we can offer them in future.

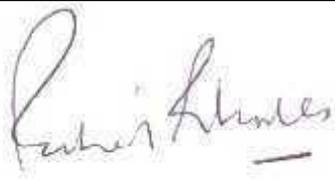
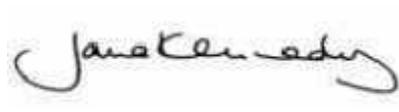
The uncertainty and concern caused to the communities we serve by the review as it currently stands was entirely avoidable and wholly unacceptable.

It is with much regret that we are therefore taking legal advice with a view to initiating a judicial review, should our concerns not be addressed.

As we have made clear, the above should in no way detract from the very welcome efforts you are making on behalf of police funding generally, which we appreciate greatly.

We are copying this letter to the Home Secretary.

Yours sincerely

 Richard Rhodes Police and Crime Commissioner for Cumbria	 Tony Hogg Police and Crime Commissioner for Devon and Cornwall
 Clive Grunshaw Police and Crime Commissioner for Lancashire	 Stephen Greenhalgh Deputy Mayor for Policing and Crime In London
 Jane Kennedy Police and Crime Commissioner for Merseyside	 Julia Mulligan Police and Crime Commissioner for North Yorkshire
 Anthony Stansfeld Police and Crime Commissioner for Thames Valley	