

# Police expenditure, 1999–2009

**Helen Mills, Arianna Silvestri  
and Roger Grimshaw**

## About the Authors

Helen Mills is research associate, Arianna Silvestri is research and policy associate and Roger Grimshaw is research director at the Centre for Crime and Justice Studies.

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Centre for Crime and Justice Studies  
[www.crimeandjustice.org.uk](http://www.crimeandjustice.org.uk)  
[info@crimeandjustice.org.uk](mailto:info@crimeandjustice.org.uk)

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# Introduction

This briefing aims to provide a clear, soundly sourced analysis of income sources and public spending on police forces in England and Wales since 1998.

Given the substantial public investment in policing, and the range of interest in police activity, it is surprising how little information is readily accessible about what is spent on police forces, where this money comes from and what it is spent on. Based on official sources for each police force, this briefing aims to address this significant gap by analysing expenditure data over the decade 1998/1999 to 2008/2009 to paint a long-term, national picture.

## **Police spending – where has the money gone?**

In the chapters that follow, we present evidence from official statistical databases about police income and spending trends year-on-year, 1998/1999 to 2008/2009.

Chapter one compiles information on the level of spending on police forces, identifying sources of funding for this expenditure and key trends over time.

Chapter two examines spending on revenue and capital items.

Chapter three analyses the changes in the numbers and composition of police staff, which accounts for approximately 80 per cent of police force expenditure. This chapter examines police strength for an 11-year period from 1998 to 2009.

The briefing cannot answer questions regarding the impact of this funding on outcomes such as public safety; these warrant a separate publication. However, in the concluding chapter, we outline some emerging questions about the reasons for the spending patterns, consider the extent to which there is a consensus about possible reasons, and discuss the prospect of changes in expenditure as the country faces a contraction in public spending.

Our major questions are:

- How much has been spent on the police over the last ten years?
- Where did it come from?
- What has it been spent on?

First, a profile of the major decision-makers in what is called the 'tripartite' system of governance will set the scene.

### **The context for police spending**

By 1997/1998, the financial year before the start of this briefing, police expenditure had risen by 33 per cent in real terms since 1988/1989 (Barclay and Tavares, 1999: 71). These large sums were the principal item in the whole bill for criminal justice. According to figures for 1999/2000, nearly two-thirds of government expenditure on the criminal justice system (£7.5bn out of £12.056 bn) was devoted to the police (Barclay and Tavares, 1999: 70).

Police spending is not attributable to a single source; there are three main parties to the decision-making.

**The Home Office** is able to make funding available out of tax revenue. The distribution of the central budget to the 43 local forces is calculated through the use of formulas that take into account estimates of 'need' based on factors such as population and crime rates. This distribution is modified by creating 'ceilings' and 'floors' on the increase or decrease in funds forces can receive year-on-year to prevent instability in any individual police force's income. However, specific grants do not conform to the formula.

The money comes to the local police authorities with a number of conditions attached. In particular, the Home Office has been responsible for setting national objectives through Public Service Agreements (PSAs) and performance targets for the forces. Her Majesty's Inspectorate of Constabulary (HMIC) reports to the Home Secretary on the forces' efficiency and effectiveness (Jones, 2003).

The **police authorities** can also provide funding. These are not simply a branch of local government; they are independent bodies, most of which have consisted until recently of nine councillors, three magistrates and five independent members. Currently, in addition to the councillors, there are usually eight independent members, with at least one being a magistrate. In practice, the councillor members are identified by the political groups on the councils and, according to the 2008 Police Authority Regulations, are meant to reflect the political composition of the councils. Independent members of police authorities are selected on the basis of their skills and expertise (Jackson and Newing, 2009). The various members of an authority must together prepare plans for policing its area over one- to three-year periods.

A police authority can make a precept to fund spending to a level beyond central government's allocation by means of a levy on local council tax, although the amount is capped by central government. To approve a precept, a voting majority of both the elected members and the whole membership is required (section 19 of the Police Act 1996). The involvement of independent members means that local spending decisions are influenced by a number of unelected members. If it sees fit, the Home Office also has the power to fix a minimum total local force budget.

Hence, changes in police income and spending may reflect differing priorities locally and centrally. However, in principle, the presence of independent members should tend to reduce conflict between the centre and the localities. The Association of Police Authorities (APA) brings together the collective views of the authorities.

The **chief constable** is responsible for the direction and control of police and since the Police and Magistrates Courts' Act 1994 has taken a delegated responsibility for management of staffing and for budgetary matters. The period covered by our briefing is therefore one in which the chief constables have been given increasing financial responsibility.

Through the Association of Chief Police Officers (ACPO) chief constables have a collective voice that can be used to lobby the Home Office. The potential influence of the police on budgets should therefore not be discounted. There is an established tradition that chief constables bear an independent responsibility to uphold the law and for that reason do not see themselves as merely the servants of government, whether central or local (Jones, 2003). Accordingly they are likely to advocate police activities that they believe make good operational sense and are unlikely to accept proposals that they suspect are financially driven (Loader and Mulcahy, 2003).

The national Policing Board brings together representatives of the Home Office, the police authorities and the chief constables to discuss the strategic development of policing.

The system of police governance forms the basis for decisions about spending over the long term. It does not appear to be a nationally prescriptive system in which there is little chance of variation: if police authorities think that the national allocation is insufficient they can create additional income by means of precepts. Nor is it a purely localised system in which local politicians wield power that can fly against the winds of central influence.

In principle, we might envisage different spending levels at different times and in different places. However, the briefing shows the net effect of many decisions across the country and the resulting national tendencies are the subjects of the analysis. As we will see, the actual trends have been almost uniformly towards substantially greater spending in real terms, with expenditure on staff a strong element of the long-term rise. However, until each of the spending headings is examined in detail, it is not possible to

gauge the exact scale of those increases. The main business of the following chapters is to demonstrate that scale.

## About the data

- All figures in this briefing relate to the period 1998/1999 to 2008/2009 unless otherwise stated.
- The original data source for the financial data is the Chartered Institute of Public Finance and Accountancy (CIPFA) Police Statistics Actuals for 1998/1999 to 2008/2009, unless otherwise stated. Information on staffing numbers is from the Home Office statistical bulletins on police service strength.
- Real-terms expenditure has been calculated using HM Treasury figures as at 29 September 2009 (downloaded November 2009), at 2008/2009 prices.
- All figures are given to two significant figures in the main text and to three significant figures in the tables in the appendix. Percentages are rounded to one decimal place.

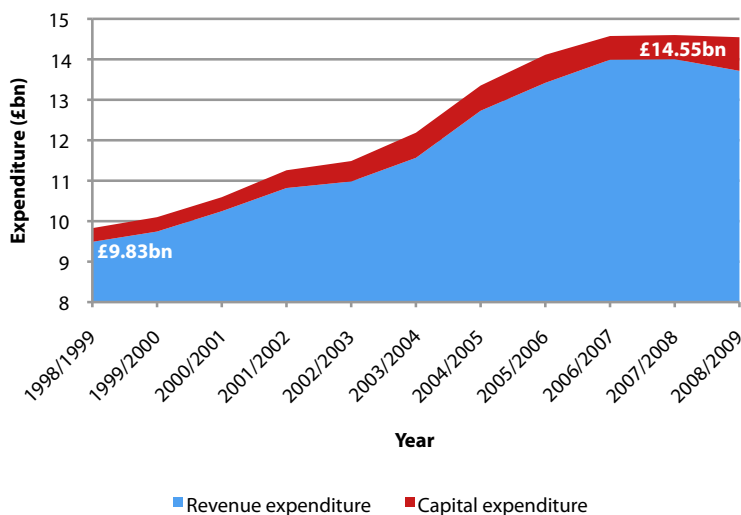
Because our focus is on local forces, the briefing excludes reference to spending by agencies that sit outside police forces, such as the Serious and Organised Crime Agency (SOCA), ACPO, and the National Policing Improvement Agency (NPIA) (although secondments to NPIA are included in the staffing chapter).

# Chapter one:

## Trends in income sources for police authority expenditure<sup>1</sup>

### 1. Overall expenditure

**FIGURE 1: TOTAL POLICE AUTHORITY EXPENDITURE, REAL TERMS, 1998/1999 TO 2008/2009**



<sup>1</sup> Figures for all graphs in this chapter are shown in appendix A, tables 1-8

Police expenditure nearly doubled over the past decade, from £7.72bn in 1998/1999 to £14.55bn in 2008/2009, an increase of 88.5 per cent (see figure 1). In real terms this is an increase of nearly 50 per cent (48.0 per cent), with an additional £4.72bn spent on the police during 2008/2009 than spent in 1998/1999.

Over the first eight years of the period, until 2006/2007, police expenditure increased year-on-year at a rate of between 2 and 9.6 per cent per annum in real terms. During the past two years, police expenditure has been static in real terms (0.2 per cent increase in 2007/2008), and for the first time this decade overall police expenditure declined in real terms in 2008/2009, decreasing by 0.4 per cent compared to the previous year.

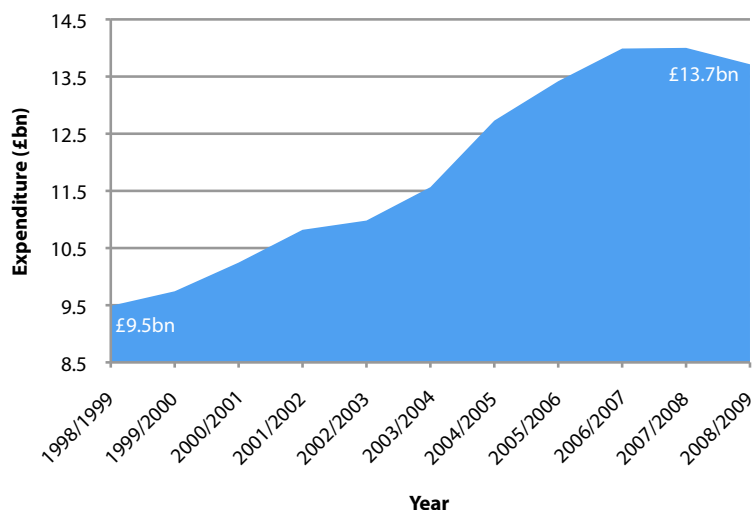
Revenue expenditure (the cost of operating police forces and authorities, including staffing, consumables and rents) accounts for the bulk of police spending (an average of 95.7 per cent per annum in this period). Capital (the amount spent on fixed assets such as land, building, vehicles, plant and equipment) makes up the remainder. The proportion of expenditure in these two categories stays relatively constant at around a 95/5 per cent split between revenue and capital expenditure respectively over the past ten years.

## **2. Revenue expenditure**

### *a) Overall trend in revenue expenditure*

Since 1998/1999 police revenue expenditure has increased by over 80 per cent, from £7.45bn to £13.71bn in 2008/2009, an 84.1 per cent increase (see figure 2). In real terms this equates to an additional £4.23bn being spent on policing in 2008/2009 compared to 1998/1999: a real-terms increase of 44.5 per cent.

**FIGURE 2: TOTAL POLICE AUTHORITY REVENUE EXPENDITURE, REAL TERMS, 1998/1999 TO 2008/2009**



In the first eight years of this period, police revenue expenditure increased in real terms year-on-year at a rate of between 1.5 and 10.1 per cent. The year 2007/2008 bucked the trend of increased real-terms revenue expenditure, with police revenue expenditure static compared to the previous year. The most recent financial year, 2008/2009, is the first year during the past decade in which police revenue expenditure declined in real terms, decreasing by 2.1 per cent compared to the previous year.

The greatest annual increase in revenue expenditure was in 2004/2005 when expenditure grew by 10.1 per cent in real terms compared to the previous year: an increase of more than twice the 3.8 per cent average annual increase in this period.

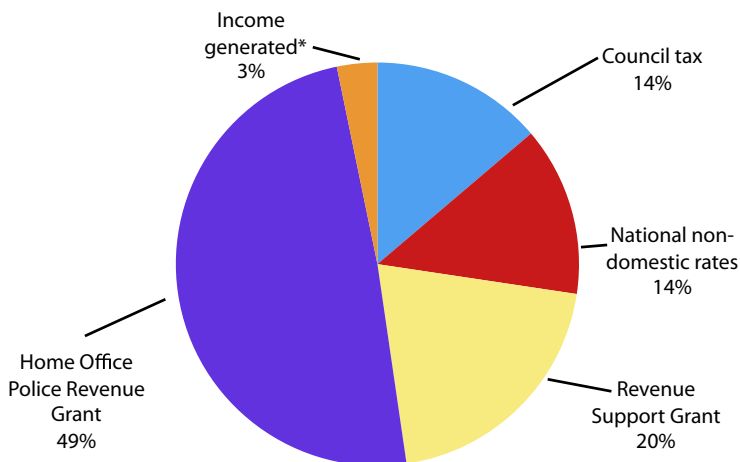
*b) Sources of income to meet revenue expenditure*

Revenue expenditure has been met by seven main sources of income over the past decade (see figure 4).<sup>2</sup>

<sup>2</sup> See appendix B for a definition of these income sources

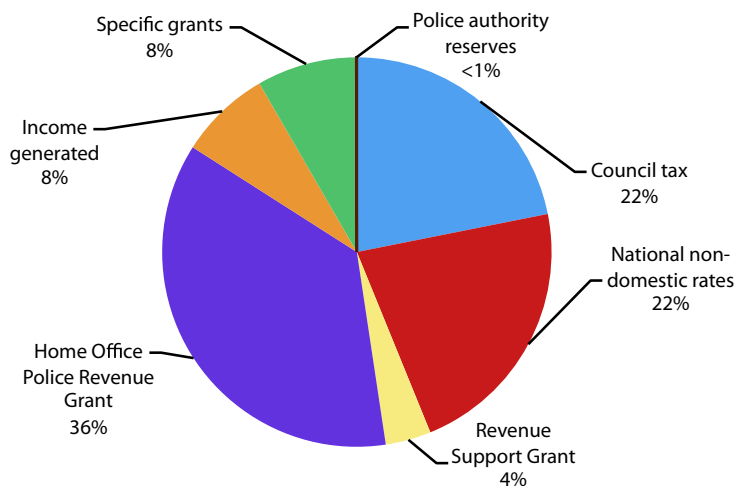


**FIGURE 3: REVENUE EXPENDITURE MET BY INCOME SOURCE, 1998/1999**



\*Police authorities' contributions to reserves (£138m) have been deducted from income generated in 1998/1999.

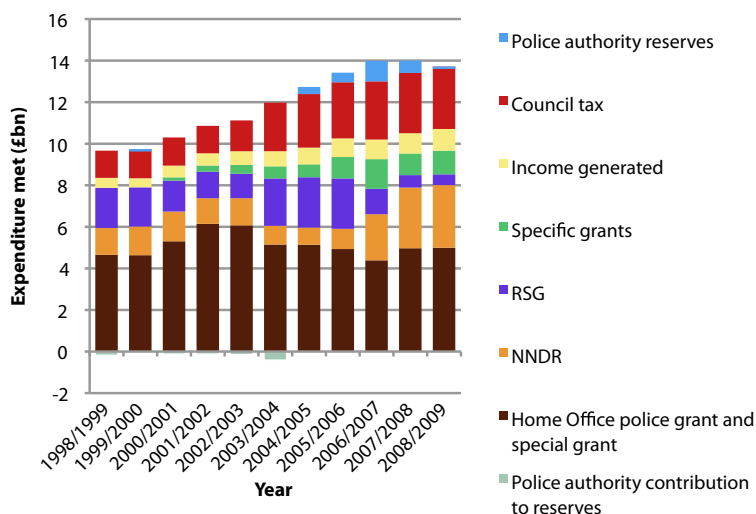
**FIGURE 4: REVENUE EXPENDITURE MET BY INCOME SOURCES, 2008/2009**



The largest source of income for revenue expenditure is the Home Office Police Revenue Grant (referred to hereafter as the Police Grant). Council tax and national non-domestic rates currently each meet a further fifth of revenue expenditure (both 22 per cent) in 2008/2009. Just under a tenth of police revenue expenditure (8.3 per cent) in 2008/2009 is met by sources not used in 1998/1999 (specific grants, such as the Crime Fighting Fund (CFF), which were introduced in 2000/2001, and police authority reserves which police authorities have used to meet their expenditure since 2004/2005).

*c) Trends in income sources for revenue expenditure*

**FIGURE 5: REVENUE EXPENDITURE MET BY INCOME SOURCE, REAL TERMS, 1998/1999 TO 2008/2009**



The Police Grant is the largest income source for police revenue expenditure throughout this period (see figure 5). In 1998/1999 it funded nearly half of police revenue expenditure (49.1 per cent). The proportion of police revenue expenditure met by the Police Grant increased to a peak of 56.8 per cent in 2001/2002, then declined to its lowest level, meeting just 31.4 per cent of police revenue in

2006/2007. The decrease in the proportion of revenue expenditure met by the Police Grant is due to a real-terms decline in the Police Grant in 2003/2004 by 15.2 per cent compared to the previous year and to overall real-terms police revenue increasing by an average of 6.3 per cent between 2003/2004 and 2006/2007. While the Police Grant is still the single largest source of police income, the proportion of revenue expenditure it meets has declined by over 10 per cent throughout this period (from 49.1 to 36.4 per cent).

Between about a third to a fifth of annual police revenue expenditure has been met by the two centrally allocated taxes – the Revenue Support Grant (RSG) and national non-domestic rates (NNDR) – in this period (between 33.9 and 22.6 per cent).

Specific grants, ring-fenced Home Office-allocated funds which police authorities apply for, were introduced in 2000/2001. Specific grants were established to deliver central government key aims in policing and to fund new police initiatives or, in the case of grants such as the Rural Policing Grant, to target police funds outside the main Police Grant funding formula. Prior to the introduction of specific grants, central government had only distributed funds to police authorities based on formulas, with police authorities and forces then deciding how best to spend their allocation. In their first five years, specific grants were a growing source of police expenditure, increasing over sixfold in real terms to a peak of 10.2 per cent of police revenue expenditure in 2006/2007. In 2007/2008 the revenue expenditure met by specific grants decreased by 27.1 per cent in real terms compared to the previous year (from £1.43bn in 2006/2007 to £1.04bn in 2007/2008), reducing the proportion of police revenue expenditure funded through specific grants to 7.4 per cent and 8.3 per cent the following year.

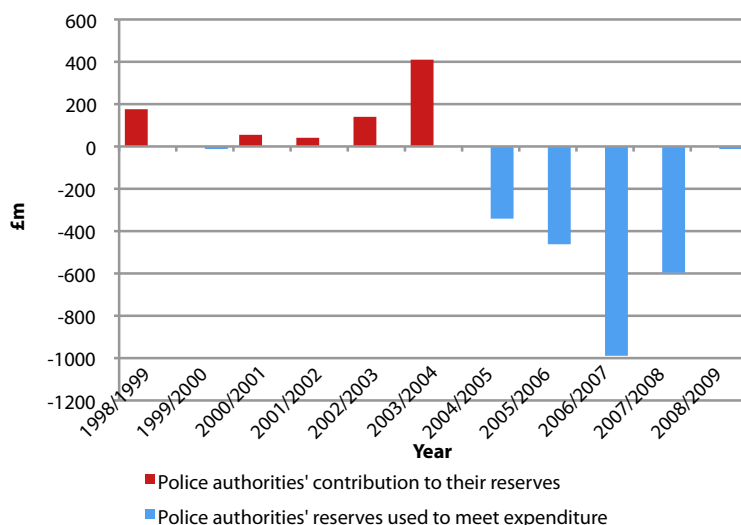
Two specific grants account for nearly 40 per cent (39.1 per cent) of the total revenue expenditure met by specific grants in this period: the CFF, and the Community Support Officer (CSO) and Neighbourhood Policing Grant. Both grants fund increases to police staff. The spending trends for the largest specific grants in this period are explored on page 19.

Between 4.5 and 7.6 per cent of annual revenue expenditure in this period has been met by income generated by police authorities (including income generated through charges, rents and special police activity).

The greatest comparative difference in income sources between 1998/1999 and 2008/2009 is the growth of council tax (also known as the police precept) as a source of police revenue expenditure. Between 1998/1999 and 2002/2003 council tax was the source of between 12.2 and 14.4 per cent of revenue expenditure. From 2003/2004 onwards, around a fifth of annual police revenue expenditure has been met by council tax (between 20.0 and 21.9 per cent).

In all bar one year of the first half of this period, police authorities made annual contributions to their reserves. Between 0.4 and 3.5 per cent of police authorities' annual revenue expenditure was put to their reserves. Since 2004/2005 police authorities have used their reserves to help fund their expenditure (see figure 6).

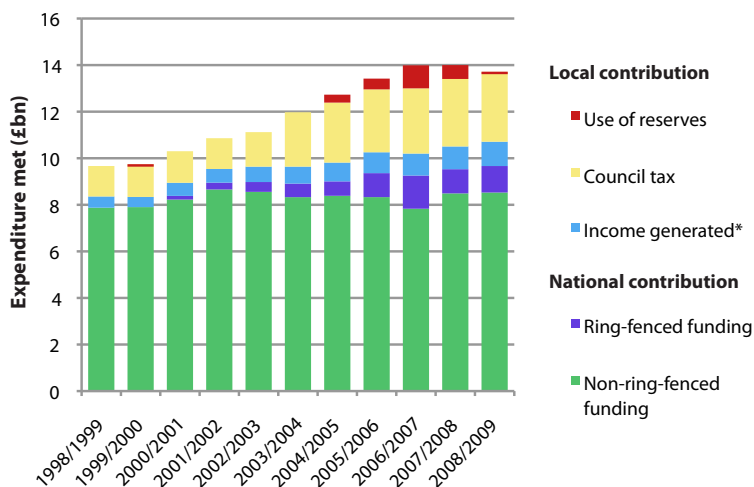
**FIGURE 6: POLICE AUTHORITIES REVENUE CONTRIBUTIONS TO/FROM RESERVES, REAL TERMS, 1998/1999 TO 2008/2009**



Between 2.7 and 7 per cent of revenue expenditure from 2004/2005 to 2007/2008 was met by police authority reserves. In 2008/2009 police authorities' use of reserves reduced dramatically to meet less than 1 per cent of police authorities' revenue expenditure.

*d) National and local contributions to revenue expenditure*

**FIGURE 7: NATIONAL AND LOCAL CONTRIBUTIONS TO POLICE EXPENDITURE, REAL TERMS 1998/1999 TO 2008/2009**



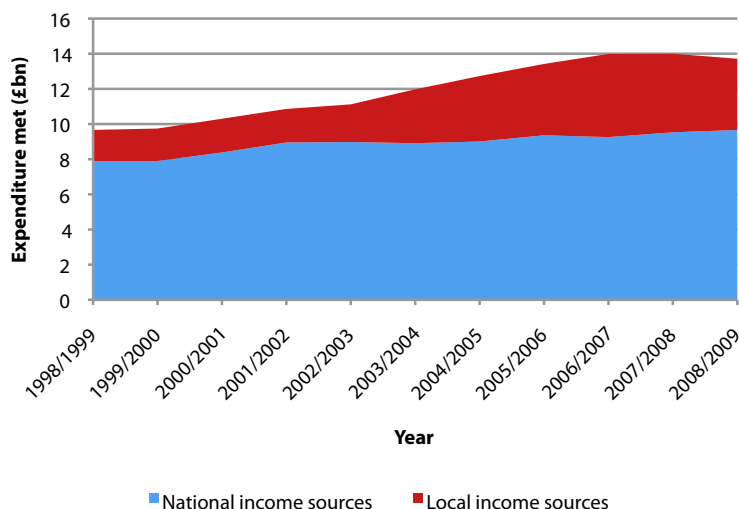
\*In years where there are contributions to reserves this has been deducted from income generated.

That revenue expenditure met by national non-ring-fenced funding has been relatively static in real terms during this period, while overall police revenue expenditure has gradually increased until the final two years, is striking (see figures 7 and 8).

From the halfway point of this period, from 2003/2004 until 2006/2007, the extent of the year-on-year increases in police revenue expenditure has been possible, not because of similar increases in national funding for police activities, but through

a step-change in the use of council tax to fund the police in 2003/2004 and, from 2004/2005 onwards, contributions from police authority reserves. As figure 8 and 1 opposite demonstrate, it is local sources of funding that have shouldered the burden of the increases to police revenue expenditure in the latter half of this period. Over the past decade, overall police revenue expenditure has increased by an average of 3.8 per cent per year in real terms. Relative to this, non-ring-fenced central government funding has increased at a far more modest average rate of 0.9 per cent per annum in real terms. When ring-fenced specific grants are included in this figure, the national spend on police revenue has increased by an average of 2.1 per cent per annum in real terms (4.6 per cent actual). Local sources of funding have increased by an average of 10.6 per cent per year, with average annual increases of 24.6 per cent between 2003/2004 and 2006/2007. 2007/2008 was the first year during this period in which local funding dropped, with a decrease of 5.5 per cent, and there was a further 9.4 per cent decrease in the following year. Police authorities' reduced use of their reserves, from a high where they contributed 7.1 per cent of revenue expenditure in 2006/2007, is the most significant contributor to this decrease in local sourcing of expenditure. But, even with this drop, the increase in revenue met by local sources is dramatic. The proportion of police revenue met by local sources of funding has nearly doubled in this period, meeting 17 per cent of revenue expenditure in 1998/1999 as against 30 per cent in 2008/2009 (see figure 8).

**FIGURE 8: REVENUE EXPENDITURE MET BY NATIONAL AND LOCAL INCOME SOURCES, REAL TERMS, 1998/1999 TO 2008/2009**



**TABLE 1: REAL-TERMS PERCENTAGE INCREASE IN NATIONAL AND LOCAL CONTRIBUTIONS TO POLICE REVENUE EXPENDITURE, 1998/1999 TO 2008/2009**

	Real terms % increase
Total revenue expenditure	45%
Revenue met by national sources (Police Grant, specific grants and centrally allocated taxes)	23%
Revenue met by local sources (council tax, income generated and police authority reserves)	150%

The greatest growth in revenue met by local sources of funding coincides with the three-year period of the greatest annual increases in revenue expenditure, 2003/2004 to 2005/2006, when there was a 6.9 per cent average annual real-terms increase in revenue expenditure, compared with the 3.8 per cent average

annual increase over the whole time period. From the mid-point of this period onwards, police authorities have used local funding sources to make up the deficit between record revenue expenditure growth levels and the income received from national sources of funding.

At the start of the period, local sources met a small proportion of revenue expenditure compared to national sources of funding (17 per cent). This trend of police authorities calling on local sources to meet the difference between the national revenue allocation and growing overall revenue expenditure has resulted in substantial increases to these local sources (an effect known as 'gearing').

The greatest contributor to the growth of local sources of police funding is the dramatic increase in the use of council tax (also referred to as the police precept) in 2003/2004. In this year, actual revenue expenditure met by council tax jumps from £1.27bn to £2.06bn, an increase of 57.6 per cent in real terms compared with the previous year. In 2003/2004, and for the remainder of the decade, council tax met around a fifth of annual police revenue expenditure (between 20 and 21.9 per cent).

From 2004/2005 onwards, police authorities' ability to raise income through council tax increases has been restricted by the government's introduction of a central cap on local authorities' proposed overall council tax increases, brought in to curb excessive increases by some local authorities.<sup>3</sup> Given that the police precept increased by 10.3 per cent in 2004/2005, and increased by between 3.5 and 4.8 per cent in the years following, this national cap on council tax may have prevented further increases to the police precept on the scale of that which took place in 2003/2004.

However, as figure 9 shows, the increased use of council tax to fund the police over the past decade has resulted in wide variations

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<sup>3</sup>In 2004/2005, central government judged the police precept excessive if the police authority budget increased by more than 7 per cent compared to the previous year, or if the precept increased by more than 13 per cent. Until the 2008/2009 round of budget setting, only three police authorities had been capped for setting excessive budgets. All three were capped in 2004/2005 (Local Government Finance, Council Tax Capping webpage).



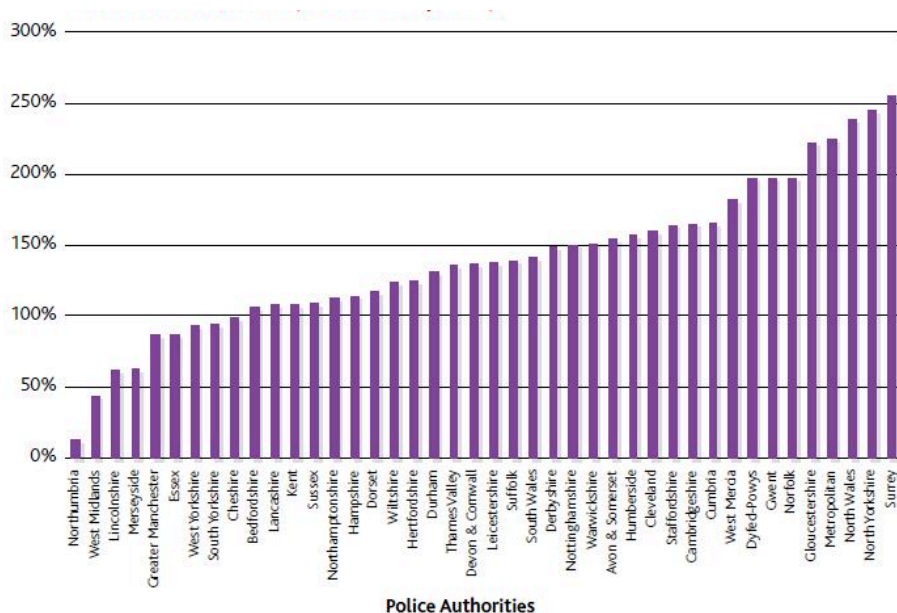
in police precept increases locally. In 2007/2008, 11 per cent of Northumbria police authority's income was reported to come from council tax, compared to 46 per cent of Surrey police authority's income sourced through council tax (Hansard, HC deb., 4 February 2008, c680). In his evidence to the Home Affairs Committee (HAC), the then Minister for Security, Counter-Terrorism, Crime and Policing, Tony McNulty, said that the police precept ranged between £88 and £239 (HAC, 2007: evidence 12). This suggests that some people in England and Wales are paying nearly three times more than others to fund their local police.

The HAC review of police funding concluded that the disparity in the police precept raised by police authorities could not be adequately explained by 'locally made decisions as to the levels of service provided by the police' (HAC, 2007: 27). Figure 9 indicates that, with the exception of the Metropolitan Police, metropolitan police forces have experienced the lowest police precept increases in the decade up to 2007/2008.<sup>4</sup> This appears to support the theory that the Police Grant funding formula disadvantages more rural police authorities and is the reason that rural police authorities have sought to meet their expenditure through council tax increases (Hansard, HC deb., 27 March 2008, c344WS). If this is the case, any non-metropolitan police authorities that had not substantially increased their precept by 2003/2004 would have been unable to match the funding generated by police authorities that had made significant increases in their precept by this year.

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<sup>4</sup>The metropolitan authorities are Northumbria, West Midlands, Merseyside, Greater Manchester, West Yorkshire, South Yorkshire and Metropolitan.

**FIGURE 9: REAL PERCENTAGE INCREASES IN COUNCIL TAX PRECEPT (BAND D) BY POLICE AUTHORITY, 1997/1998 TO 2007/2008 (AT 2007/2008 PRICES)**



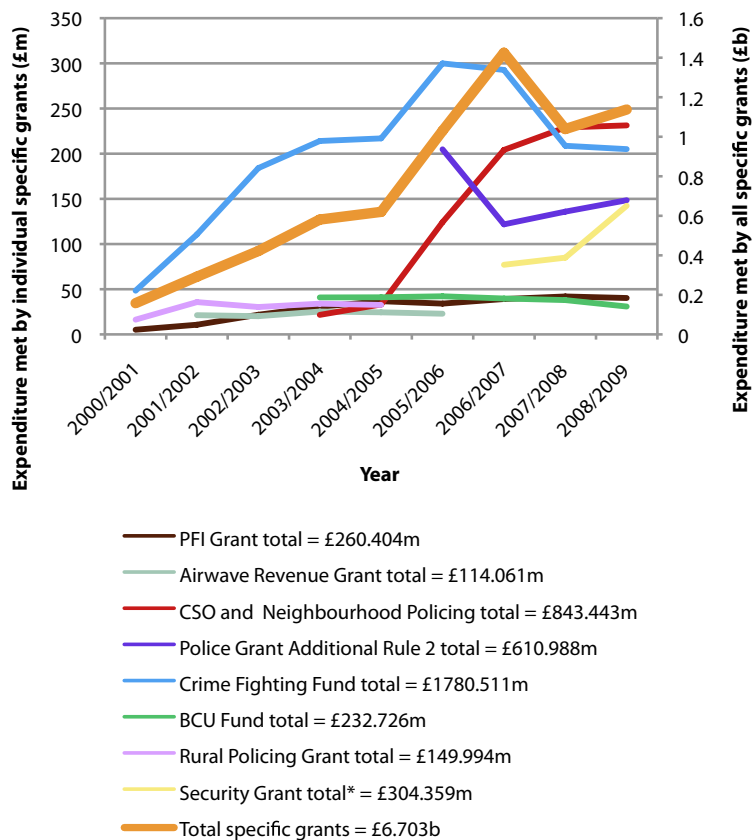
Source: reproduced from Flanagan (2008: 27)<sup>5</sup>

Imposing a national council tax cap may have reduced further substantial increases in council tax precept in some police authorities, but it does not address the thornier issue of the appropriate balance between local and national funding, and the disparity between local precepts to fund the police resulting from this variation.

<sup>5</sup> The City of London police authority is excluded as its council tax precept is generated in a different way from the other police authorities.

e) *Specific grants* <sup>6</sup>

**FIGURE 10: REVENUE EXPENDITURE MET BY THE EIGHT LARGEST SPECIFIC GRANTS AND ALL SPECIFIC GRANTS, REAL TERMS, 2000/2001 TO 2008/2009**



\* Includes dedicated security posts

<sup>6</sup> Appendix B page 83, provides a definition of the specific grants described in this section.

The CFF, a grant established in 2000/2001 for police authorities to employ additional police officers, is by far the largest specific grant expenditure to date. At £1.78bn, its total expenditure is more than double the real-terms expenditure of the next largest specific grant investment, the CSO and Neighbourhood Policing Grant (£0.843bn in real terms). The CSO and Neighbourhood Policing Grant ring-fences funding for PCSO posts, providing 75 per cent of funding for PCSO salary costs as calculated by the Home Office. The CFF was the largest annual specific grant until 2007/2008, when it was overtaken by the CSO and Neighbourhood Policing Grant.

The introduction of specific grants was not universally popular, particularly the constraining nature of funding for police authorities they entailed. The APA was concerned they would limit the opportunity for local initiatives to thrive and that the funding may not always meet full initiative implementation costs (APA, 2002). Specific grants have also been accused of warping police force activities to national initiatives that may not necessarily be most appropriate locally. For example, it has been claimed that the CFF has encouraged police authorities to increase police officer numbers rather than match their force size to local need (APA, 2006). The perverse incentives created by ring-fenced funds have been acknowledged by the Home Office and the expenditure restrictions for some specific grants such as the CFF are reported to have been relaxed in the latter part of the past decade to allow police authorities greater flexibility in using the allocated resources (Home Office, 2004: 117).

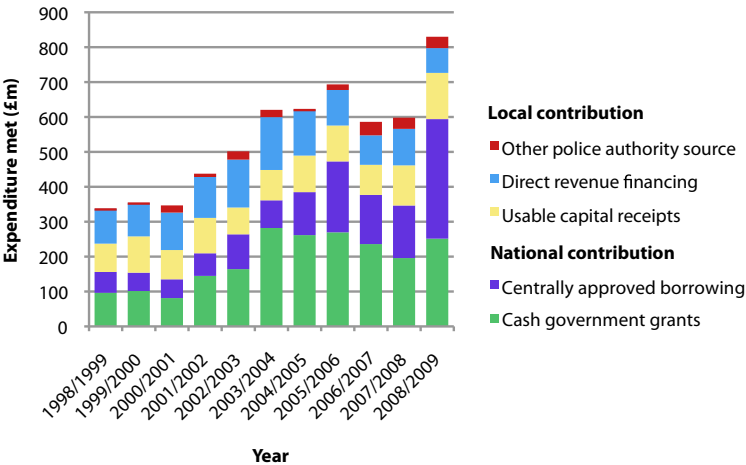
The trend of increased year-on-year expenditure met by specific grants ended in 2006/2007. In 2007/2008 total specific grant expenditure decreased by 27 per cent in real terms, from £1.43bn in 2006/2007 to £1.04bn. The largest specific grant, the CFF, declined by nearly 30 per cent in real terms (28.7 per cent). Only the CSO and Neighbourhood Policing Grant, the Security Grant and the Police Grant additional rule 2 increased by more than 10 per cent in 2007/2008 compared to the previous year, and in

2008/2009 these were the only large specific grants that increased in real terms.

### 3. Capital expenditure<sup>7</sup>

Capital expenditure more than tripled between 1998/1999 to 2008/2009, from £265.8m to £829.9m, equating to a two and a half times real-terms increase. (For more details on capital expenditure see Chapter two)

**FIGURE 11: CAPITAL EXPENDITURE MET BY INCOME SOURCES, REAL TERMS  
1998/1999 TO 2008/2009**



In comparison to revenue expenditure, capital expenditure receives relatively little media attention or political debate. Unlike revenue expenditure, capital expenditure has not been subject to a gradual constant trend in growth across this period; rather, it has fluctuated, with increases in spurts (in 2001/2002 to 2003/2004 and 2008/2009), and other years during this period being relatively static or decreasing in real terms compared to previous years.

<sup>7</sup> Appendix B page 83, provides a definition of the income sources described in this section.

The sources of funding for capital costs have all been subject to fluctuation, with no income source for capital expenditure simply increasing or decreasing across this whole period (see figure 11).

The first significant increase in capital expenditure in this period is between 2001/2002 and 2003/2004 when capital expenditure increased by an average of over a fifth (21.6 per cent) per annum compared to the previous year in real terms. The most substantial component in this increase was an increase in the government grant in the first and last year of this period; this increased by 78.3 and 71.8 per cent in real terms in 2001/2002 and 2003/2004 respectively compared to the previous years. In the middle year of this period of increase, a growth in centrally approved borrowing (of 53.9 per cent) and in other police authority-generated sources (150.6 per cent increase) met the increased capital expenditure.

The trend in centrally approved borrowing is the main contributor to the oscillation in capital expenditure from 2004/2005 onwards, with a significant (30.7 per cent) real-terms decrease in borrowing in 2006/2007 and a significant increase in 2008/2009 (this more than doubled from £150.7m in 2007/2008 to £342.5m). Over 40 per cent of police capital expenditure was met by centrally approved borrowing in 2008/2009 (41.3 per cent).

Other police authority-generated income has been the source of a proportionally small amount of capital expenditure, particularly since 2006/2007, when it met between 6.6 and 3.9 per cent of capital expenditure per annum. The majority of this income stream comprises police authority reserves, which have met between 1.9 to 3.8 per cent of capital expenditure since 2006/2007.

#### **4. Indications of future police funding**

All available evidence suggests a tighter funding environment for the police in the coming years: a scenario very different from the trend of increased expenditure over the period this briefing outlines. The slight decrease in expenditure in 2008/2009 is a sign

of this tighter financial climate, and the indications are that the coming years are likely to be more constrained than this.

The current police funding settlement, the provisional national government commitment to police revenue until 2010/2011, was first announced in December 2007 (Smith, 2007). The most recent settlement estimates at the time of writing are shown in table 2 below.

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**TABLE 2: ANNUAL ACTUAL PERCENTAGE INCREASE IN CENTRAL GOVERNMENT FUNDING PROPOSED IN POLICE REVENUE FUNDING SETTLEMENT 2008/2009 TO 2010/2011**

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Year	% increase
2008/2009	2.9%
2009/2010	2.8%
2010/2011	2.7%

Source: Hansard, HC deb., tab 1, c97WS; 6 December 2007

The settlement proposes a 2.8 per cent average annual actual increase in central government revenue funding between 2008/2009 and 2010/2011. Within this settlement only two specific grants, the CSO and Neighbourhood Policing Grant and the Counter-Terrorism Grant, have increased actual funding allocated during this period. Other specific grants such as the CFF are to remain static in actual terms, a real-terms decline in funding (Hansard, HC deb., 26 November 2009, tab 3, c100WS).

Compared to an actual average annual increase of 4.7 per cent in central government police revenue funding between 1999/2000 and 2007/2008, the provisional central government spend on

police revenue over the coming period is significantly less than that of the past decade (see table 3).

**TABLE 3: AVERAGE ANNUAL ACTUAL PERCENTAGE INCREASE IN CENTRAL GOVERNMENT FUNDING FOR POLICE REVENUE, 1999/2000 TO 2010/2011**

Time period	Average % increase
1999/2000 to 2001/2002	6.3%
2002/2003 to 2004/2005	3.2%
2005/2006 to 2007/2008	4.5%
2008/2009 to 2010/2011	2.8%

Source: CIPFA and Hansard, HC deb., 26 November 2009, c95WS.

Estimates of future funding for police capital expenditure were under review at the time of writing and expected in January 2010. The Minister for Policing has, however, indicated there will be a reduction in this allocation:

*We have more difficult decisions to make on capital [compared to the spend on police revenue] ... the police will get the best possible settlement within our means.*

(In Hansard, HC deb., 26 November 2009, c 95WS)

Whatever the exact final figure, there is no doubt that there are much greater constraints on the available national allocation for the police over the next two years than has been the case over the past decade.

In this spending review period, police authorities must also set their budgets in line with a central government cap on council tax at 'substantially below 5%' (Hansard, HC deb., 27 March 2008, c339).

A continuation of the trend of increased or static police expenditure is improbable given the circumstances of a modest national revenue settlement, likely reductions in central capital allocations, and the cap set for council tax increases. Police



expenditure growth in the coming years would only be possible if police authorities drew much more heavily on their reserves or substantially increased their income generated, and neither of these strategies seems likely or desirable. Given that police authorities have been shown to have drawn on their reserves to meet expenditure during the past four years, the health of police authorities' reserves is already questionable. Even if using reserves were a possibility for some police authorities, this is not a sustainable longer-term strategy to fund police activity. For income generation to make up a deficit in national resources seems unlikely given that income generated currently accounts for only 8 per cent of revenue expenditure and there have been no significant changes suggested in the future opportunities for police income generation.

That one in six police authorities had their capacity to raise council tax capped by government for the current or coming year in their 2008/2009 budget proposals is an indicator of the difficulty some police authorities are having in balancing their financial books (Hansard, HC deb., 27 March 2008, c340).<sup>8</sup>

The tighter financial climate has also publicly exposed strained relations between central government, police authorities and chief constables regarding funding police activity. The chief constable of South Wales was reported in March 2009 to be considering a legal challenge to her police authority's decision to increase the council tax precept by half the amount she had requested (in keeping with the 5 per cent cap) (*Police Professional*, 2009a), and there have been several media reports about police funding inadequacies have included comments from chief constables and police authority representatives (see, for example, Ford, 2009).

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<sup>8</sup>These police authorities were Leicestershire, Lincolnshire, Norfolk, Surrey, Warwickshire, Cheshire and Bedfordshire. Four of these authorities proposed increases of more than 10 per cent, including Lincolnshire which proposed a 79 per cent increase in precept (Hansard, HC deb., 27 March 2008, c 340). A further two police authorities were capped in the 2009/2010 round of budget setting (Hansard, HC deb., 26 November 2009, c 97WS).

## Chapter two: Police service expenditure

### **Expenditure headings**

Expenditure for the police service in this chapter is broken down according to the following main headings,<sup>9</sup> presented in descending order according to size of expenditure:

- Employees (these constituted 76 per cent of the total gross expenditure in 2008/2009)
- Supply and services (9 per cent of expenditure in 2008/2009)
- Capital expenditure and capital financing costs (7 per cent)
- Premises (4 per cent)
- Transport (2 per cent)
- Third-party payments (1 per cent)
- Other costs (under 1 per cent)

For details of what these headings include please see appendix B. See figure 17 for comparisons with total expenditure ten years previously.

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<sup>9</sup> Following CIPFA Police Actuals Statistics.

### **Note: Recording and spending differences between forces during the decade**

Under the above main budget headings, accounts often show different headings in different years (for example, pensions, capital expenditure, third-party payments), which can make it difficult to make within-budget comparisons across the decade. For the purposes of consistency and comparability, we have therefore tended to consider trends under the major budget headings only.

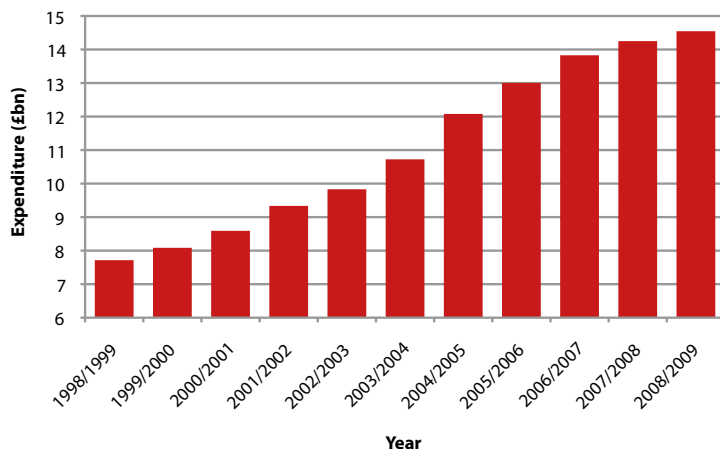
What these larger trends do not cover are the differences – which are at times substantial – in spending across the 43 police forces in England and Wales. For reasons of brevity, we do not examine the detailed spending of forces but we acknowledge that there is not necessarily uniformity within expenditure patterns.

## **1. Total expenditure**

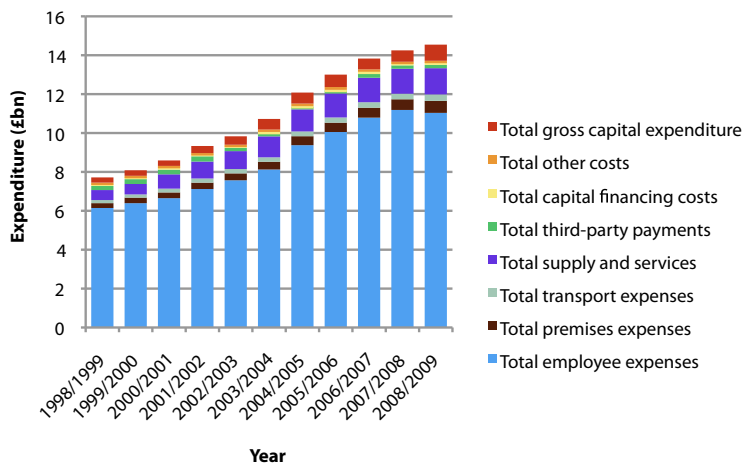
The total, actual gross expenditure (capital and revenue expenditure) of police authorities in England and Wales amounted to £14.5bn in 2008/2009, an increase of £6.8bn when compared to 1998/2009 (when total expenditure was £7.7bn). This represents a percentage increase of 88 per cent over the decade.

Figure 12 shows the total actual police service gross expenditure trends in the decade. Breakdowns according to type are given in figure 13 and in table 14 (appendix A). Real-terms trends are detailed in the following section.

**FIGURE 12: TOTAL POLICE SERVICE GROSS EXPENDITURE FOR ENGLAND AND WALES, TEN-YEAR TREND**



**FIGURE 13: POLICE SERVICE GROSS EXPENDITURE FOR ENGLAND AND WALES, 1998/1999 TO 2008/2009**

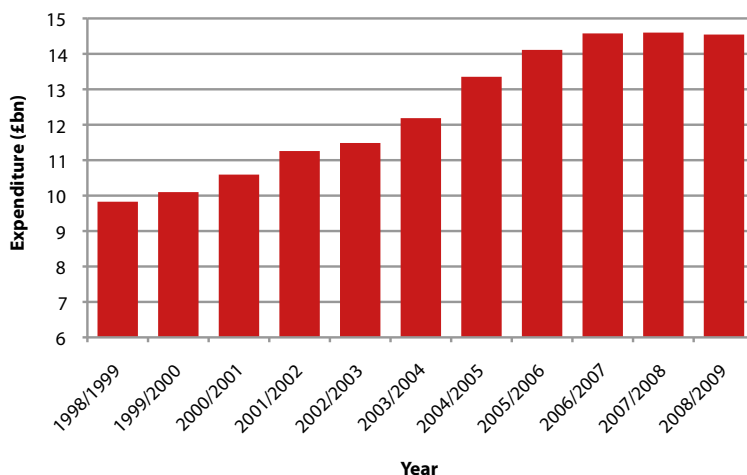


### *Expenditure in real terms*

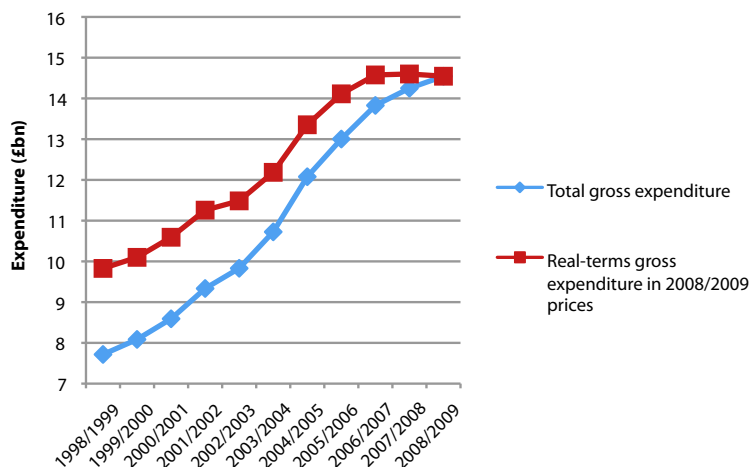
Accounting for inflation, the increase for total gross expenditure (including capital expenditure) over the ten years is £4.7bn. This represents a 48 per cent increase in real terms between 1998/1999 and 2008/2009. The highest growth rate was in 2004/2005, when there was a 9.6 per cent real-terms increase from the previous year. The only year in the decade when there was not an increase was in 2008/2009, when the total expenditure fell by 0.4 per cent in real terms compared to 2007/2008.

Real-terms figures are given in table 15 (see appendix A). The ten-year trend in real terms is shown in figure 14. Figure 15 compares total gross expenditure for the police service with real-terms expenditure.

**FIGURE 14: TOTAL POLICE SERVICE GROSS EXPENDITURE FOR ENGLAND AND WALES, REAL TERMS, 2008/2009 PRICES**

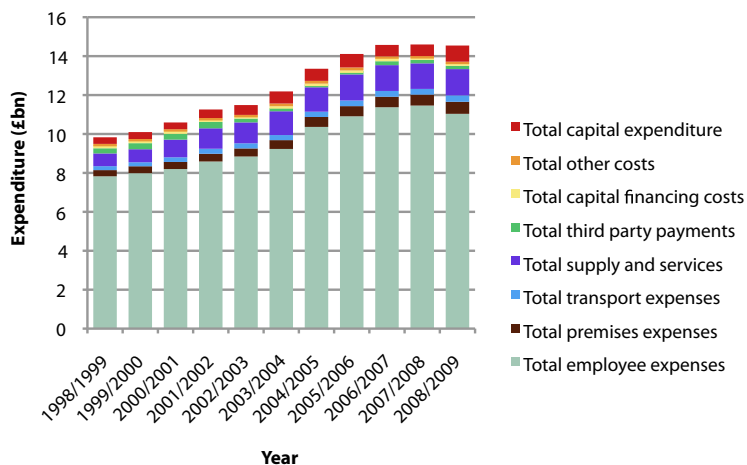


**FIGURE 15: POLICE SERVICE EXPENDITURE FOR ENGLAND AND WALES, 1998 TO 2009**



The real-terms breakdown (see figure 16) illustrates a steady increase in total employee expenses (apart from the last year when expenditure fell compared to 2007/2008), premises and transport expenses. Capital financing and other (revenue) costs have remained fairly static over the decade, although there are some sharp changes within this period. For example, capital financing costs decreased sharply from £171.3m in 2002/2003 to £26.7m in 2005/2006, rising to £178.8m the following year, £187.7m in 2007/2008, and down to £163.8m in 2008/09. Total other (revenue) costs also had fluctuations, rising from £18.4m in 2002/2003 to £141m the following year. By 2006/2007 other costs were £73.4m, which dropped dramatically to £4.4m the following year, to rise sharply again – to £48.6m – in 2008/2009.

**FIGURE 16: POLICE SERVICE EXPENDITURE FOR ENGLAND AND WALES, REAL TERMS, 1998/1999 TO 2008/2009**



**TABLE 4: POLICE SERVICE EXPENDITURE, REAL TERMS, ENGLAND AND WALES, 1998/1999 TO 2008/2009**

Year	Real-terms gross expenditure in 2008/2009 prices (£bn)	Real-terms growth rate (%)*
1998/1999	9.828	
1999/2000	10.099	2.8
2000/2001	10.593	4.9
2001/2002	11.258	6.3
2002/2003	11.485	2.0
2003/2004	12.186	6.1
2004/2005	13.407	9.6
2005/2006	14.112	5.3
2006/2007	14.577	3.3
2007/2008	14.600	0.2
2008/2009	14.545	-0.4

Using GDP deflator series (HM Treasury, last updated 29 September 2009)

Expenditure figures include capital expenditure

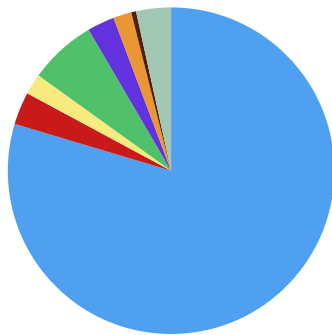
\*year-on-year percentage growth

See also table 15: Police service expenditure in real terms, England and Wales 1998/1999 to 2008/2009, appendix A.

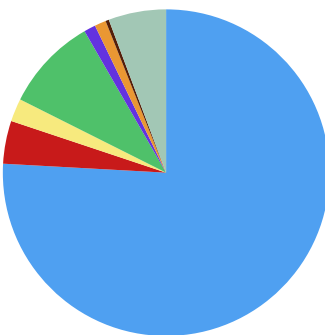
*Proportions of expenditure at the beginning and end of the decade*

In 1998/1999, employee expenses constituted 80 per cent of the total gross expenditure for the police service. Supply and services amounted to 7 per cent of the expenditure, while the other headings accounted for between 2 and 3 per cent (with the exception of 'other costs' which amounted to about 0.5 per cent of the total). See figure 17.

**FIGURE 17:**  
**GROSS TOTAL EXPENDITURE BY**  
**TYPE 1998/1999**



**FIGURE 18:**  
**GROSS TOTAL EXPENDITURE BY**  
**TYPE 2008/2009**



- Total employee expenses
- Total premises expenses
- Total transport expenses
- Total supply and services
- Total third-party payments
- Total capital financing costs
- Total other costs
- Total capital expenditure



The distribution of expenditure has not changed in remarkable ways across the decade. By 2008/2009, the percentages had shifted slightly, with a decrease in employee expenditure to 76 per cent of the total. Supply and services expenditure increased from 7 per cent in 1998/1999 to 9 per cent in 2008/2009. Capital expenditure (including capital financing costs) consisted of 7 per cent of the total gross expenditure in 2008/2009, compared with 5 per cent ten years before. Transport stayed at the same proportion of all expenditure at 2 per cent, premises increased slightly from 3 per cent in 1998/1999 to 4 per cent in 2008/2009, while third-party payments decreased from 3 per cent in 1998/1999 to 1 per cent in 2008/2009.

## **2. Employee expenses, salaries and overtime**

### *Expenses*

That employees' expenses have been rising (from £7.8bn in 1998/1999 to £11bn in 2008/2009 in real terms) is not surprising, given the rise in police service strength over the decade (see chapter three). Recorded under employees expenses are:<sup>10</sup> police officer and 'other staff' salaries (including overtime), pensions and other employee expenses (for example, training, severance, redundancy and relocation costs, advertising and interview expenses).

### *Salaries*

Salaries make up the largest part of the employee expenses budget and police officer pay dominates the salaries expenditure. Police pay is negotiated by the police staff associations and is reviewed on an annual basis, with police pay scales and police officer salaries set for each year. Although police pay is set nationally, salaries are affected by 'regional' and 'competence' police pay allowances.<sup>11</sup>

In 1998/1999, police officer salaries total gross actual expenditure in England and Wales was £4.1bn, while 'other staff' salaries totalled £1.1bn. Total salary expenditure had more than doubled by 2008/2009, when police officer salaries cost £8bn and 'other staff'

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<sup>10</sup> CIFPA Police Actuals Statistics.

<sup>11</sup> Details of the 2008/2010 multi-year pay settlement for the police in England and Wales and what it means for the salaries at each grade are available at [www.police-information.co.uk/policepay.htm](http://www.police-information.co.uk/policepay.htm)

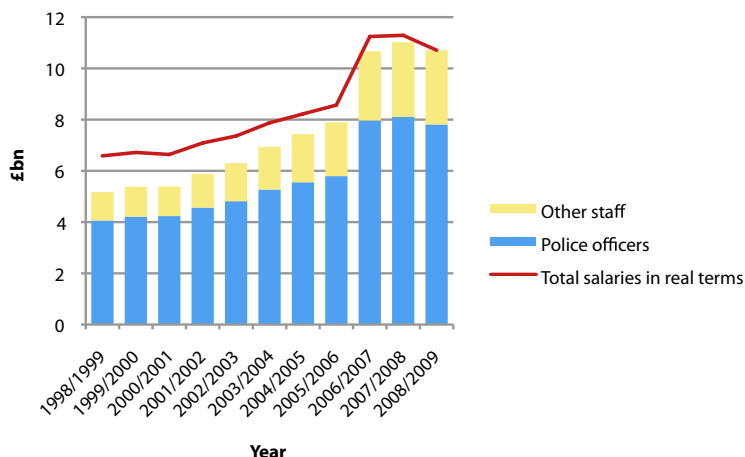
salaries £2.9bn (an overall increase of 107 per cent over the ten years).

The increase in actual salaries expenditure was steady until 2006/2007, when police officer salaries rose to £8bn from £5.8bn in 2005/2006, an increase of 37 per cent in one year. This coincides with a change in pension costs accounting and the introduction of a new pension scheme in April 2006, when the police authorities started paying an employer pension contribution for police officers. For more details see pages 38 to 40.

Actual salaries expenditure peaked in 2007/2008 at a total gross of £11bn and decreased slightly the following year to £10.7bn. Most of the decrease seems to be due to police officer salaries, which went down by £291m in 2008/2009. (While PCSO salaries increased by £12.4m and 'other staff' salaries by £85.3m, traffic warden salaries decreased by £733,000 from 2007/2008 to 2008/2009.)

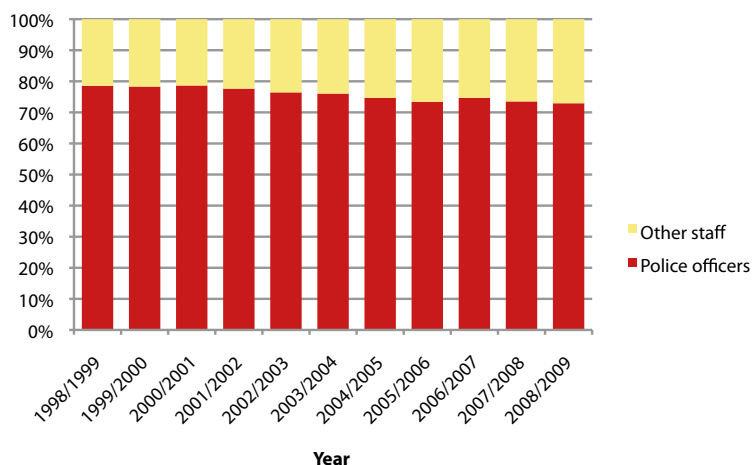
Real-terms values for salaries expenditure are given in figure 19.

**FIGURE 19: SALARIES EXPENDITURE FOR ENGLAND AND WALES, ACTUAL AND REAL TERMS, 1998/1999 TO 2008/2009**



Proportionally, 'other staff' salaries have increased more than those of police officers during the period – see figure 20. This can be explained in terms of the civilisation of the police service and the introduction of police community support officers (PCSOs), which we examine in chapter three.

**FIGURE 20: ACTUAL SALARIES EXPENDITURE FOR ENGLAND AND WALES, PERCENTAGES, 1998/1999 TO 2008/2009**



### *Overtime*

Overtime is included in police officer and 'other staff' salaries.

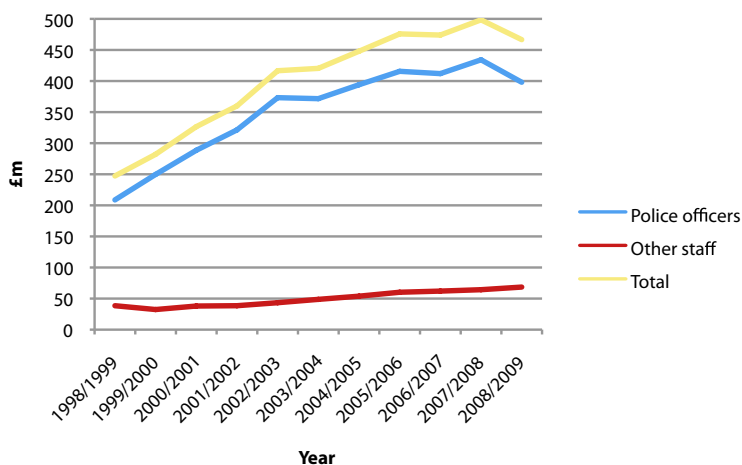
Overall, overtime actual expenditure increased by 88.7 per cent in the ten years, with police officer overtime rising by 90.7 per cent.

However, when considered as a proportion of total employee expenses, overtime has remained fairly static over the decade, at around 4 to 5 per cent of total employee expenditure. See figure 21 and table 19 in appendix A. This suggests that the growth in police service strength in this period (see chapter three) has not brought about the expected decline in overtime.

Most overtime expenditure is police officer overtime. The overtime worked by police officers constituted 84.4 per cent of all overtime actual expenditure in 1998/1999 and 85.3 per cent in 2008/2009.

There have been more fluctuations in the overtime of police officers than in the overtime of all other staff, which rose steadily from £38.5m in 1998/1999 to £68.5m in 2008/2009, an increase of 77.8 per cent. Police officer overtime rose fairly steadily from £209m in 1998/1999 to £416m in 2005/2006, then fell and rose again the following two years until 2008/2009, when it was 4.2 per cent lower than in 2005/2006 at £398m.

**FIGURE 21: OVERTIME EXPENDITURE FOR ENGLAND AND WALES, ACTUAL, 1998/1999 TO 2008/2009**



Overtime is used in a variety of ways, for example, for events such as mutual aid,<sup>12</sup> policing one-off activities such as football matches for which costs are reimbursed, to finish priority tasks commenced

<sup>12</sup> Mutual aid can be defined, in terms of national resilience to civic contingencies, as a cross-organisational arrangement 'to provide assistance with additional resource during an emergency, which may overwhelm the resources of an individual organisation'. See [www.cabinetoffice.gov.uk/ukresilience/response/recovery\\_guidance/generic\\_issues/mutual\\_aid.aspx](http://www.cabinetoffice.gov.uk/ukresilience/response/recovery_guidance/generic_issues/mutual_aid.aspx)

earlier in the day, to deal with specific policing initiatives such as burglary reduction, and to cover for absent (for example, sick) colleagues.

As the size of the workforce has dramatically increased over the decade (see chapter three), so has overtime: this would appear counter-intuitive as more staff might be said to decrease the need for overtime. However, the 'Home Office recognises its [overtime's] necessary part in responding to unexpected major incidents'. There is also a wide variation between forces in the size of their overtime bill, 'from 3 to 7%' (*Police Professional*, 2009b). A freedom of information request shows that the average overtime per officer in 2006/2007 ranged from £209 in Northamptonshire (down from £507 in 1997/1998) to £4,483 in the Met (up from £2,155 ten years previously in 1997/1998) (Home Office, 2009a).

### **3. Pensions**

A new 35-year pension scheme for police officers (police staff are included in the Local Government Pensions Scheme) came into effect from April 2006. Prior to this, the Police Pension Scheme 1987 offered a maximum pension of two-thirds of the final salary accrued after 30 years of service, or at 50 with 25 years' service. Under the new 2006 scheme, the maximum pension is half of the final salary (with a lump sum of four times the pension) and it is payable from 55 or deferrable until 65.

In 2008 there were an estimated 280,000 members of the two police schemes combined: approximately 140,000 active members, 120,000 pensioners and 20,000 deferred pensioners (Hansard, HC deb., 1 April 2008, c79W).

Prior to 2006/2007, police pensions were paid out of each force's operating accounts, in what is referred to as a 'pay-as-you-go' system of financing. As the then Home Secretary Jacqui Smith explained in an answer to a parliamentary question in February 2009, in the new system 'each police authority pays employer and officer contributions into a separate account, out of which pensions are paid'. Where the income into the local police

authority pensions account from contributions (plus other payments such as inward transfer values) is insufficient to meet the cost of pensions payment, it is topped up by a Home Office grant (Hansard, HC deb., 23 February 2009, c168W).<sup>13</sup>

The new pension scheme arose out of a lengthy period of consultation and from affordability concerns:

*... the police pension represents a very high proportion of police officers' total remuneration ... The cost of pensions also has longer-term implications for the level of police grant. The Government and employers are looking for more cost-effective arrangements, which are more affordable for employers, taxpayers and police officers and which would free resources for tackling crime.*

(Home Office, 2003: 7)

The new financing system was also intended to safeguard police authorities' operational budgets, protecting them from changes in pension expenditure due to fluctuations in retirement from year to year (Thurley, 2009). Moreover, instead of operational budgets bearing the cost of retired officers' pensions, which are set to increase over the next 20 years or so, they would instead bear the (employer's share of) pensions costs for currently serving officers (Home Office, 2003, op. cit.).

However, it has been estimated that savings – of about 8.3 per cent of pay – will only begin when the new pension scheme has been in place for about 25 years 'as more officers join the new scheme and the numbers in the old scheme fall ... as the new scheme costs less as a percentage of pay than the current one' (Statutory Instrument (SI), 2006: no. 3415, explanatory memorandum).

Moreover, with police numbers increasing to record highs and rises in life expectancy, it is a moot point as to whether the new pension

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<sup>13</sup> Prior to 2006/2007, all pension costs and income were charged to the revenue account (most forces had a pensions holding account and the net difference was charged to the revenue account). Since 2006/2007, the employer pension contribution is charged to the income and expenditure account, together with any surplus or deficit on the pensions account, which is matched by a debtor or creditor from the Home Office.

scheme will actually be able to address the original affordability concerns.

Looking at the new system, total police officer pension costs were £1.2bn in 2006/2007. In 2007/2008, pensions expenditure in the pension fund was £1.6bn (see table 5). Including lump sum commutations, transfer values paid, refunds of contributions and any surplus repaid to the Home Office, this gives a total pensions fund expenditure for 2007/2008 of £2bn. In 2008/2009, pensions expenditure in the pension fund was £1.7bn. Including lump sum commutations, transfer values paid, refunds of contributions and any surplus repaid to the Home Office this gives a total pensions fund expenditure of £2.3bn (CIPFA Police Actuals Statistics 2007/2008 and 2008/2009)

**TABLE 5: POLICE OFFICER PENSIONS 2006/2007 TO 2008/2009**

Year	£bn		
	Total police officer pensions costs <sup>1</sup>	Pensions fund expenditure: pensions <sup>2</sup>	Pensions fund expenditure: total <sup>3</sup>
2006/2007	1.227		
2007/2008		1.628	2.065
2008/2009		1.743	2.342

<sup>1</sup>Total police pension costs include injury benefit, capital equivalent charge of ill-health retirement and other costs

<sup>2</sup>Pensions fund expenditure does not include lump sum commutations, transfer value paid, refunds of contributions or surplus to the Home Office

<sup>3</sup>Pensions fund expenditure total includes lump sum commutations, transfer value paid, refunds of contributions and any surplus repaid to the Home Office

Source: CIPFA Police Actuals Statistics

Prior to the introduction of the new financing system, employee pensions expenditure (net of employees' contributions) was just under £901m in 1998/1999. By 2005/2006 pensions costs amounted to £2bn (CIPFA Police Actuals Statistics).

## 4. Capital expenditure

The trend in gross capital expenditure over the decade shows that planned expenditure was £265.8m in 1998/1999 and £284.5m in 1999/2000. From 2000/2001, when accounts start showing gross actual expenditure at £281.2m, expenditure rose steadily, apart from in 2006/2007 when it declined relative to the previous year. Most of the decline in 2006/2007 was due to a decrease in land and buildings expenditure (minus £81m).

By 2007/2008, capital expenditure had risen to £583.7m. A particularly steep increase occurred in 2008/2009, when it reached just under £830m: this constitutes an increase of 42.2 per cent in a year. The biggest increase in 2008/2009 was expenditure on land and buildings, which was just over £173m higher than the previous year. The second most significant increase was in 'other' capital expenditure,<sup>14</sup> which increased from £61m in 2007/2008 to £104m. 'Other' expenditure includes the capital costs of housing schemes such as shared ownership and other key worker housing support, 'assets under construction' and 'intangible assets'. Expenditure in 'air support' was the only expenditure to decrease in 2008/2009 compared to the previous year.

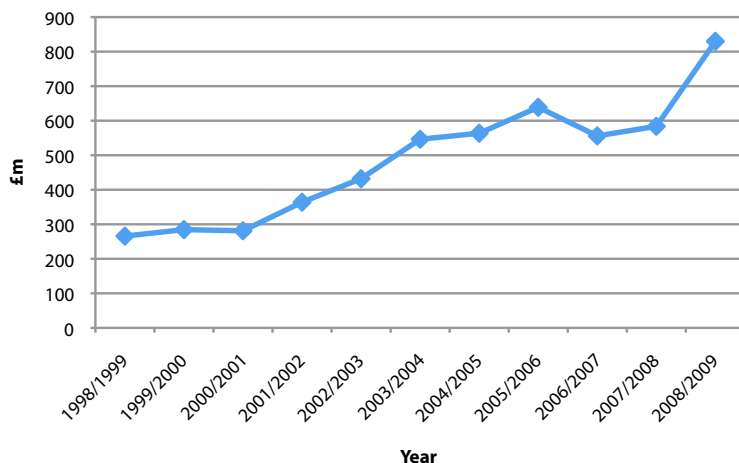
Real-terms values, which faithfully follow the actuals pattern, are given in figure 23.

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<sup>14</sup> Category introduced in CIPFA Police Actuals Statistics from 2006/2007.

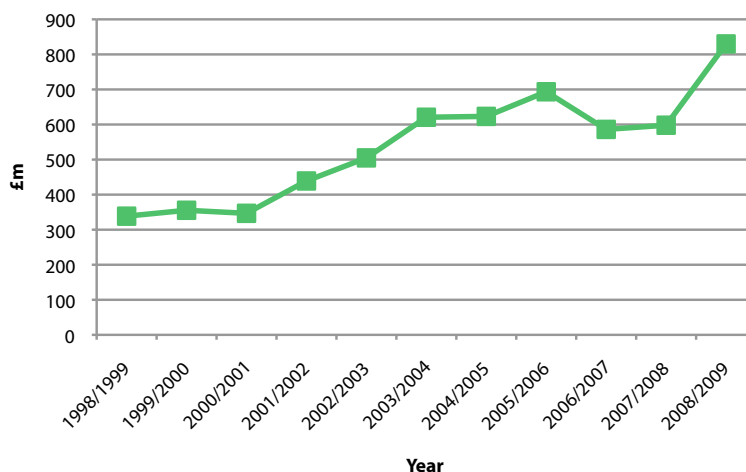


**FIGURE 22: TOTAL POLICE SERVICE GROSS CAPITAL EXPENDITURE FOR ENGLAND AND WALES, 1998/1999 TO 2008/2009**



For 1998/1999 and 1999/2000 the figures refer to *planned* capital expenditure. From 2000/2001 onwards the figures refer to *actual* gross capital expenditure.

**FIGURE 23: POLICE SERVICE CAPITAL EXPENDITURE FOR ENGLAND AND WALES, IN REAL TERMS, 1998/1999 TO 2008/2009**



## 5. Looking ahead

Police service expenditure rose substantially within the decade we have considered. Although most of the spending has gone into staffing (see chapter three), according to ACPO and APA, a ‘large number of new demands’ have attracted some of the additional investment, including ‘over fifty pieces of new legislation, supporting infrastructure for the neighbourhood policing programme ... the Victims’ Code, the Quality of Service Commitment, chemical, biological and nuclear equipment and training’ (HAC, 2007). The Airwave radio system contract alone, which is considered part of ‘efficiency improvement through technology’ (Dr Brain in HAC, 2007), has been estimated to cost £2.3bn (at 1999 prices) over the 22 years of the project (NPIA, 2009).

We can expect that these commitments will continue to exert pressure on resources. However, the police service faces a climate of financial squeeze on public services. In the pre-budget report of December 2009, public sector cuts were announced, although the police was one of the few sectors (along with hospitals and schools) ‘to receive some limited [budgetary] protection from the intense public spending squeeze to come’ (Timmins, 2009).

The three-year Comprehensive Spending Review 2008–2011 gives police forces a funding increase of 2.7 per cent in 2010/2011, which, ‘at a time when inflation will be likely lower than that’, constitutes a ‘real terms increase’ (Hansard HC deb., 25 November 2009). (See also chapter one.)

However, *Protecting the Public: Supporting the Police to Succeed* (Secretary of State for Home Department, 2009), the White Paper on policing published only a few days after the news about the alleged budgetary protection, is about achieving efficiency savings in the service. The White Paper sets out the Labour’s government ‘initial response’ to Jan Berry’s report, *Reducing Bureaucracy in Policing* (published 2 December 2009), which seeks to establish ‘long-term’, ‘cultural’ and ‘system changes’ (Berry, 2009).

According to the White Paper, savings are expected to be found by cutting overtime (a target is set 'at or below 4% of the paybill') and achieving national procurement arrangements. The government expects its proposed measures to yield yearly savings of £545m by 2014, £70m of these being achieved through 'more effective deployment and more robust internal management of police overtime' (Secretary of State for Home Department, 2009, op. cit.: 10, 73).

The White Paper outlines the government's intent to mandate a national procurement framework for a variety of goods and services, including a single national uniform, computer systems, forensic and fingerprinting services, vehicles and body armour. It also looks at collaborations and possible mergers as ways to reduce bureaucracy.

The White Paper includes a proposed requirement for each police authority to publish a 'value for money statement' outlining efficiency savings and for HMIC and the Audit Commission inspections to focus on this area (ibid.: 89-90).

A recent ministerial statement reinforced the stress on 'value for money':

*The police share the public service duty to maximise value for money, especially in the current economic climate. Locally, it is the responsibility of police authorities to set ambitious targets for the efficiency and productivity gains to be achieved by their forces and to hold chief officers to account for delivery. It is also for authorities and forces to decide locally how to recycle the benefits of increased efficiency and productivity. Senior policing leaders must help drive the organisational change required to make significant improvements in value for money, both in their forces and authorities and working with others. Value for money must be central to the strategic vision for improving policing ...*

(Hansard, HC deb., 14 December 2009, c91WS)

The White Paper recognises that 'over 80% of police revenue spend is on officers and staff' and expects the service 'to secure the best possible development of the workforce' (see also chapter three).

However, the savings it outlines are aimed at other areas of police service expenditure, which are relatively small. Out of a total gross expenditure in 2008/2009 of £14.5bn, £142.7m (just under 1 per cent) was spent on forensics services and £43.8m (0.3 per cent) on uniforms and laundry.<sup>15</sup> £138.6m went into the capital expenditure for vehicles, plant, machinery and equipment (0.9 per cent of total gross expenditure for that year).

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<sup>15</sup> Both are part of the supply and services main budget.

## Chapter three: Police service staffing

This chapter looks at trends in the composition and numbers of staff in the police service in England and Wales during the period 1998 to 2009. It considers police officers as well as civilian staff, PCSOs and other designated officers, traffic wardens and special constables (though special constables are accounted for separately, following official measures). All of these make up what is referred to as the total 'police service strength'. For more details of staff types please see appendix C.

The figures in this chapter are based on Home Office statistical recording, which takes a 'snapshot' of force numbers as of 31 March in every year.

However, because of various recording changes (see 'Recording changes' on page 46) during the period 1998 to 2009, comparisons across this period are subject to provisos.

## Recording changes

New ways to count staff numbers were introduced in police service strength calculations from March 2003, with the intention of clarifying 'the number of staff available for duty',<sup>16</sup> including:

- A 'staff available for duty' measure was added that excludes those on long-term leave of absence.
- Officers on career breaks or maternity/paternity leave were added to the total police officer strength figures.

Also, from March 2007:

- Secondments to the National Criminal Intelligence Squad and National Crime Squad no longer appear on official records, following the launch of the Serious Organised Crime Agency (SOCA) in April 2006. This means that, from 31 March 2007, official figures only show secondments to central services.

To allow comparisons with figures prior to March 2003, figures provided in this chapter are calculated on the old or 'comparable' basis and *exclude* those on career breaks and maternity/paternity leave. To enable comparisons, we have also used full-time equivalent (FTE) figures: for this reason we have not included special constables in trend figures, as their numbers are given as headcount in official statistics.

Secondments from one police force to another and central services secondments (for example, NPIA), as well as the changes to secondments from March 2007 (see 'Recording changes' above), are included in this chapter.

## 1. Police service strength, 1998 to 2009

Total police service strength (including police officers, civilians, PCSOs, traffic wardens and designated officers, but excluding special constables) increased from 183,577 at 31 March 1998 to 239,607 at 31 March 2009, an increase of 56,030 FTE staff. See figure 24.

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<sup>16</sup> Mulchandani and Sigurdsson, 2009.

Although numbers in fact declined between 1999 and 2001, a steady (and at times steep) increase began from 2002, with numbers reaching record highs each year since.

**FIGURE 24: TOTAL POLICE SERVICE STRENGTH (INCLUDING POLICE OFFICERS, CIVILIANS, TRAFFIC WARDENS AND DESIGNATED OFFICERS BUT EXCLUDING SPECIAL CONSTABLES), 1998 TO 2009**

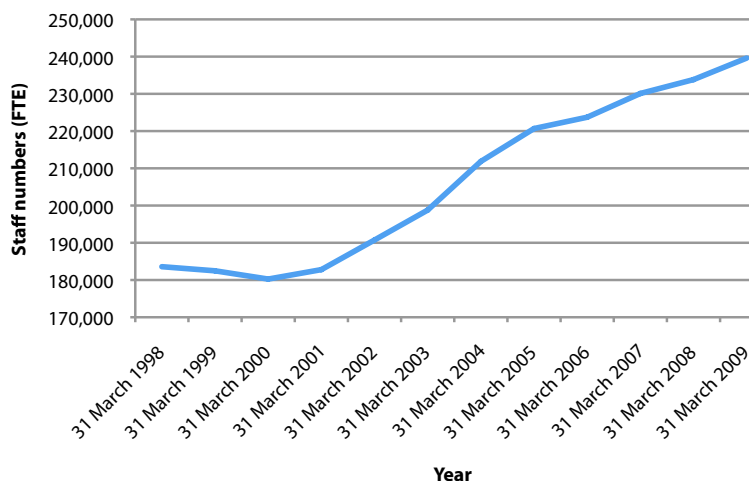
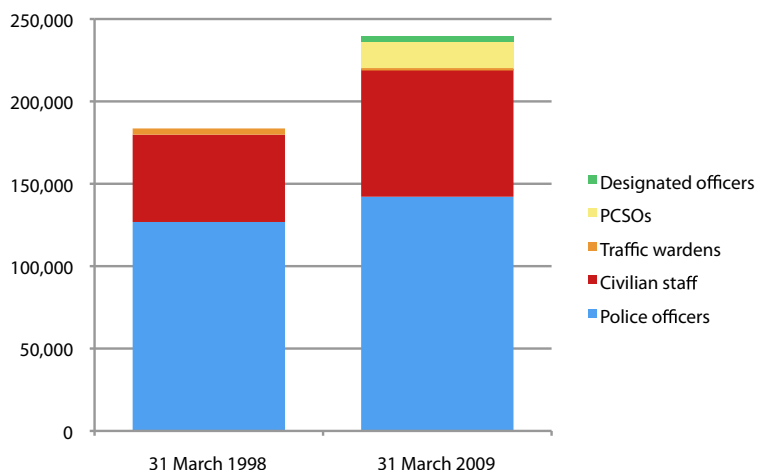


Figure 25 provides a visual comparison in police service strength (by staff type) between the two snapshot years at the beginning and end of the period we are considering.

**FIGURE 25: POLICE SERVICE STRENGTH BY STAFF TYPE, AS AT  
31 MARCH 1998 AND 31 MARCH 2009**



Police officers constituted 59.3 per cent of the total police service strength (excluding special constables) in 2009 (143,770 FTE police officers; 142,151 using comparable figures, which includes secondments and excludes those on career breaks and maternity/paternity leave); civilian staff 32.4 per cent; PCSOs 6.8 per cent; designated officers 1.3 per cent; and traffic wardens 0.2 per cent.<sup>17</sup>

In 1998 police officers constituted 69 per cent of the total police service strength (excluding special constables), civilian staff comprised 29 per cent and traffic wardens 2 per cent.<sup>18</sup>

Eleven years on, police service composition is therefore more complex. Numbers of civilian staff have increased more than police officers. Designated officers appeared on the horizon midway during the period under consideration and, of these, numbers of PCSOs have rapidly risen since their introduction. Meanwhile, traffic warden numbers have dramatically decreased.

<sup>17</sup>As of 31 March 2009 (see Mulchandani and Sigurdsson, op cit).

<sup>18</sup>As of 31 March 1998. See table 21, appendix A.



The following sections look at trends in police officer and 'other staff' numbers in more detail.

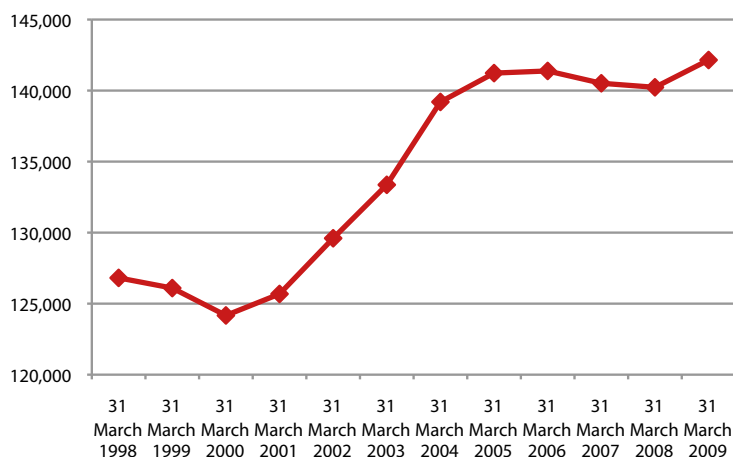
For a full breakdown of total police service strength during the period 1998 to 2009, see table 21 in appendix A.

## 2. Police officers

There were 142,151 FTE police officers in the 43 forces of England and Wales as at 31 March 2009. This compares to 126,814 FTE police officers as at 31 March 1998, a difference of 15,337 officers and a 12 per cent increase over the 11-year span. See figure 26.

This growth reflects the government's commitment to increase strength through the CFF, which was established to boost officer recruitment (see chapter one).

**FIGURE 26: TOTAL POLICE OFFICER NUMBERS (FROM ACPO RANKS TO CONSTABLES; INCLUDING SECONDMENTS), 1998 TO 2009**



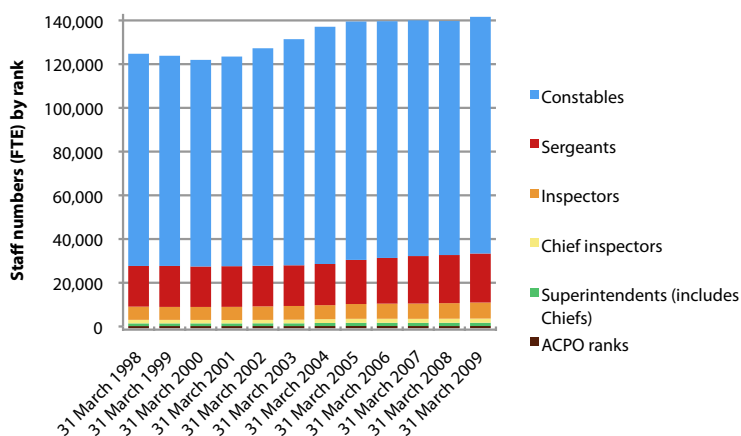
The rise has not necessarily been steady. The trend over the 11 years shows that police officer numbers actually decreased between 31 March 1998 and 31 March 2000 (from 126,814 to 124,170), to rise rapidly since, with an incremental year-on-year

growth until they reached 141,381 as of 31 March 2006. The following two years show a slight decline (140,230 in March 2008) but then a rise again in March 2009. See table 21, appendix A.

Overall increases also conceal variations across the forces. For example, while as of 31 March 2009 the majority of forces had increased their officer strength compared to the previous year, 17 actually saw a decrease (Mulchandani and Sigurdsson, 2009; Bullock, 2008).

Figure 27 gives a breakdown in police officer numbers across the period, according to rank.

**FIGURE 27: POLICE OFFICER NUMBERS (EXCLUDING SECONDMENTS) FOR ENGLAND AND WALES, 1998 TO 2009**

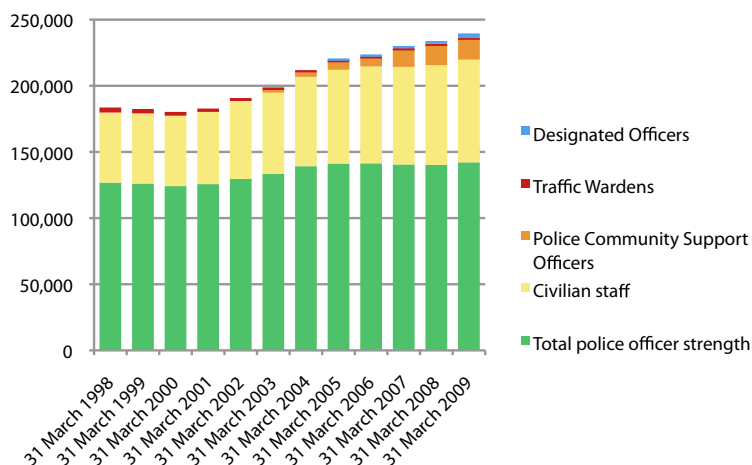


At 31 March 2009, there were 11,200 more constables, 3,809 more sergeants, 1,300 more inspectors, 298 more chief inspectors, 259 more superintendents and 25 more ACPO officers than at 31 March 1998.

### 3. Non-officer staff

Over the 11 years under consideration, the composition of the police service has undergone some significant shifts in terms of the proportions of non-officer staff. Figure 28 illustrates the growth of the police service workforce, broken down by staff type (excluding special constables).

**FIGURE 28: POLICE SERVICE STRENGTH BY STAFF TYPE FOR ENGLAND AND WALES, 1998 TO 2009**



New staff profiles were created under sections 38 and 39 of the Police Reform Act 2002 under the generic term '**designated police officers**', which includes four different roles: PCSO, investigation officer, detention officer and escort officer. Designated officers appear in official police strength recording figures from 2005. The figures for designated officers in this chapter *exclude* PCSOs, who are referred to separately. Official records show that, from 31 March 2005 to 31 March 2009, designated officer numbers (excluding PCSOs) rose from 1,128 to 3,058, an increase of 1,930 staff.

**Police community support officers** (PCSOs) appear in official records from 31 March 2003. PCSOs have limited enforcement

powers and, unlike police officers, do not have the power of arrest, though they can be designated by police force chiefs with the power to detain suspects for up to half an hour. They are generally employed in a visible, patrolling role and are meant to complement the work of police officers by providing reassurance and focusing predominantly on lower-level crime, disorder and anti-social behaviour.

There were 1,176 PCSOs in the 43 police forces of England and Wales on 31 March 2003. This rose to 16,331 by 31 March 2009, an increase of 15,155 officers over six years.

Growth has been driven by the Neighbourhood Policing Grant, which pays 100 per cent of PCSO costs in the year of recruitment and 75 per cent the following year, with police authorities covering the remainder (Home Office, 2005).

The use of **civilian staff** has increased by 46.5 per cent over the 11-year period: as of 31 March 2009, there were 77,609 civilians employed in the police service, compared to 52,975 at 31 March 1998. Civilian staff have been employed with the express intention of relieving officers from backroom activities so that they can return to operational duties. Non-uniformed staff are used in a variety of roles, including administration and front desk duties, human resources, crime analysis, surveillance and intelligence.

The number of **traffic wardens** employed by police forces has decreased by 3,300 over the period, with 458 in England and Wales as of 31 March 2009. The continued decline in the number of traffic wardens employed by the police has been attributed to 'the increasing role of local authorities in parking control' (Home Office, 2009a), which means that many traffic wardens are now employed by local authorities or private companies, contracted on behalf of local authorities. The use of authorised clampers and speed cameras can also be seen as alternatives to the use of traffic wardens.

**Special constables** are volunteers who work at least four hours a week for their police force but do not have contracted hours;

hence, they are accounted for separately in official figures.<sup>19</sup> There were 18,256 special constables in England and Wales on 31 March 1998, which had declined to 14,251 by 31 March 2009. The lowest number of special constables was 10,988 on 31 March 2004; from then on there was a gradual increase in numbers every year until 31 March 2008 when they reached 14,547, to fall again the following year.

#### 4. Reflections

The growth in police numbers that we consider here follows a trend of increases during the 1980s and 1990s (although officer numbers actually fell between 1994 and 2000, with a brief rise in 1997<sup>20</sup>), which has led to the creation of ‘the largest police service ever recruited in postwar history’ (Loveday, 2008).

The Home Affairs Committee looking at police funding in 2007 concluded:

*On the basis of the data currently available, it is difficult to assess how effectively the increased spending on the police in recent years has been deployed ... It is hard to assess the case made by the service and police authorities for more funding when there is no comprehensive measure of how well they have spent the money they have already received. We recommend that the Government ... should place renewed effort into agreeing a comprehensive framework for assessing police productivity, allowing a clearer link to be drawn between investment and outcome.*

(HAC, 2007: 36)

The White Paper on policing published in December 2009, *Protecting the Public: Supporting the Police to Succeed*, recognises that ‘any public service which spends so much of its resources on its people needs to secure the best possible development of the

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<sup>19</sup> Special constable numbers are shown as ‘headcount rather than full-time equivalent’ in Home Office statistics (Mulchandani and Sigurdsson, op. cit.).

<sup>20</sup> Mulchandani and Sigurdsson, op. cit.

workforce'. Among its aims are for the 'frontline to deliver more'; 'boosting capacity by reducing bureaucracy'; and 'streamlining support services' (Secretary of State for Home Department, op. cit.: 75).

### *Effectiveness and resilience*

Resilience is a rather nebulous and all-inclusive term, signifying the capacity (in terms of staff, knowledge, skills and strategies) of an organisation to perform in the face of future, unforeseen events and not immediately visible threats (these could relate to terrorism, organised crime or any other eventuality). A report by HM Inspectorate in 2006 argued that the police service and forces 'need to define and specify a level of operation resilience ... in order to manage risk ... without threatening core responsibilities', but admitted to being unsure as to what the appropriate level of police numbers would be to achieve this (HM Inspectorate of Constabulary (HMIC), 2004).

### *PCSOs and special constables*

PCSOs were created to be a form of local, community-based support to the police. Their role has been criticised as being 'little more than decoration' – high visibility, little training and few powers – 'adding negligible value' in terms of crime reduction (Gilbertson, 2009). It also appears that 'significant numbers of PCSOs are being deployed inside police stations rather than on frontline duties'. This concerned the House of Commons Home Affairs Committee enough to recommend that *independent* research into the use of PCSOs be carried out 'as a matter of priority' (HAC, 2007).

A snapshot analysis of PCSO activity-based costing (ABC) data from 2006/2007 carried out by the Home Office found that 'despite local variation in the amount of time spent on individual activities, PCSO activity corresponds well to Home Office role guidance, with PCSOs spending the majority of their time being highly visible within the community, dealing with minor offences and supporting front-line policing' (Home Office, 2008a). In the same year the National Policing Improvement Agency (NPIA) published the results of a three-month review on the use of PCSOs. The review recognised

that some 'role drift' had occurred, partly due to a 'confusion' of a mix of expectations: 'their contribution to improving reassurance, reducing ASB, confidence and satisfaction' and engaging in tasks that 'free up more expensive resources i.e. fully sworn officers'. Considering evaluating further the use of PCSOs was among the recommendations made by NPIA (NPIA, 2008).

Although special constable numbers have decreased overall during the period 1998 to 2009, there appears to be an intention on the government's part to include them in the drive to 're-operationalise' police officers.

The Labour government restated its commitment to PCSOs: the White Paper on policing published in December 2009 'places police community support officers at the centre of the Government's efforts to reduce antisocial behaviour, including proposals shortly to give extra powers to PCSOs to tackle firework abuse and graffiti' (Hansard, HC deb., 14 December 2009, c619A).

David Hanson MP has stated that the White Paper on policing is also meant to explore how the government 'can deploy special constables to help with deployment issues, so that we get full-time officers working on other areas, where their skills are more needed' (Hansard, HC deb., 14 December 2009, c619A).

#### *Civilianisation and operational roles*

The increase in civilian staff over the decade has been achieved with the express intent of relieving officers from backroom activities and getting them back into operational duties. Despite this, overtime has continued to increase, as we have seen in chapter two.

In his response to a parliamentary question, the Minister for Policing, Crime and Counter-Terrorism, David Hanson MP, said that '125,891 police officers, 87 per cent of total strength, were deployed to operational roles in England and Wales' in March 2009 (Hansard, HC deb., 14 December 2009, c619A). However, it is not clear what police officers have been doing once released into 'operational' roles by civilianisation or arguably the presence of PCSOs and other designated officers.

There also seems to be no shared clarity within the service about the roles of officers as opposed to those of civilian staff, nor as to what is operational and non-operational policing. A report by HM Inspectorate of Constabulary found ‘an absence of any rationale in the determination of functions’, with ‘wide disparities’ between forces. According to the Inspectorate:

*The most dramatic disparity was found in crime and incident management units, where 72% of personnel were police officers, but this varied between 24% and 99%. In headquarters intelligence units, 57% of the workforce consisted of police officers but this varied between 21% and 83%. Wide variations, with no logical rationale to explain them, were also found in call handling and control rooms, public reception and enquiry offices, custody suites, criminal justice units and scientific support 24% and 83% of police officers used in crime and management units.*  
(HMIC, 2004: 89)

#### *Streamlining support services?*

Despite the lack of clarity of roles – but acknowledging their variety and divergence of use across forces – the White Paper on policing 2009 proposes the ‘streamlining of support services’ as a way to improve efficiency. The paper gives examples of existing good practice in this area, including removing duplication of functions across BCUs and centralisation (of finance, training, HR, etc.) within a force, sharing services with other organisations or local partners. It argues that a reduction of the proportion of the support workforce to below 7 per cent ‘would save at least £75m per annum by 2013/14’. As no hard evidence exists on the impact of civilianisation on the workload of officers, it is also not clear what impact such proposed reductions would actually have on the operational capacity of police officers.



## Conclusion: Emerging questions

### Coming to terms with spending increases

*One thing that can be said about the Government, more than anything else, is that we have invested in police and policing numbers, not just through neighbourhood policing, protective services and collaboration programmes, but in relation to **all aspects of the police service**. (emphasis added)*

The Minister for Policing, Crime and Counter-Terrorism, David Hanson, introducing a motion on police grants (Hansard, HC deb., 3 February 2010, c321)

Our analysis of police spending has amply shown the truth of this statement. Everything has indeed grown, though not simply by increasing central grants. As we have seen, local police authorities have also played their part in the rises. The question of understanding responsibility for spending is therefore a vital one; moreover, there are questions about the rationale for growth, and the extent to which this is clear or contested.

We now wish to clarify the general patterns and explore some emerging questions.

What have been the scale and pace of the increases?

Who has taken responsibility?

Given the scale of change, has there been a clear rationale?

Is there a consensus about the value derived from the spending?

What is the likelihood of future change? What are the implications?

## **The scale of change**

It is remarkable that the net increases in spending have been so high and so widespread across the spending categories. In real terms, police authority expenditure since 1998/1999 has grown by almost half – a fundamental change that should have transformed the resources available to maintain public safety. Indeed, the increase has exceeded the 33 per cent growth in the previous decade.

While the central Police Grant remains the major source of funding, it has declined as a proportion of revenue expenditure by over 10 per cent. Specific grants, ring-fenced by government, have driven up spending during the period; but increasingly police authorities have become important sources of income, especially through precepts drawn on council tax. Taking into account all local sources of income, the proportion of revenue met by local sources almost doubled over the period.

Capital expenditure, though only about 5 per cent of total spending, increased two and a half times in real terms. Total employee expenses have steadily risen, with just a slight fall in 2008/2009. Salaries made up the largest element of such expenses, and paying police officers formed the biggest component in that bill. Total salary expenditure has more than doubled over the decade, exceeding the rate of increase in police authority spending as a whole. Within the salary bill, overtime payments have risen by approximately 90 per cent, an increase that does not appear to correspond with the rise in officer numbers. A new pension scheme has been introduced to meet rising costs, amounting in 2008/2009 to over £2bn, but savings are expected only after a quarter of a century has elapsed.

By far the major portion of the increased spending – just over three quarters – has been devoted to staffing expenditure, with rising numbers across the different sectors. Total police service strength increased by 30 per cent: police officers increased by 12 per cent, while civilian staff rose by 46 per cent. The new category of PCSO has grown to account for 7 per cent of service strength. The large rise in civilian staff is consistent with the strategic intention to find more efficient mixtures of police and civilian staff. However, increases in police officer numbers have been targeted during the period and it is not clear how those rises have been geared to the growth in employment of civilians so that an efficient staffing mix can be achieved. The 2008 review of policing by Sir Ronnie Flanagan suggested that workforce reform had not been consistent:

*There is currently no agreed medium to long-term strategy for workforce reform. Reforms have been delivered piecemeal and with a lack of consistency.*

(Flanagan, 2008: 39)

Other analyses reinforced the claim of insufficient progress in objective analysis of police establishment, identifying core police roles and responsibilities as recommended by HMIC in its thematic inspection of workforce modernisation (HMIC, 2004; Loveday, 2008).

The most recent report of the Home Affairs Committee points out that overall service strength has increased during the past five years, but that there have been significant differences between forces in trends for officer numbers, with specific grants responsible for rises in those figures (HAC, 2010: section 2).

There are questions about the management of staffing change, in that increasing sums have been allocated to salaries, pensions and overtime at a time when choices are being made about the composition of the workforce as a whole. To diversify the workforce effectively means envisaging how to manage the bill for the associated costs of all the staff, and these escalating figures have seemed ripe for review. In its White Paper, the government sought

to address the management of overtime, envisaging savings of at least £70m per year by 2013/2014 (Home Office, 2009b: 10).

## **The pace of change**

The graph of change indicates that the pace of increase accelerated in the years from 2002, but that by 2008/2009 the repeated growth in spending had already begun to tail off. It would seem at first sight that the pace of change has been influenced by wider central government spending plans, with the police benefiting from a rising tide of spending and then seeing this rise begin to diminish. However, the rate of growth in police expenditure has been possible only through significant increases in council tax from 2003/2004 and also, from the following year, the use of police authority reserves.

It is not clear exactly how sustainable reliance on local income sources will be. The trends give added significance to the role of local decision-making and suggest that future spending patterns may depend on how closely and effectively the centre and the localities work together to manage the ‘standstill’ implied by current policy.

## **Divided responsibilities?**

The fact that net increases in spending have been a product of a combination of decisions and have not been simply directed from the centre, could be seen at one level as encouraging since it might suggest that the system of decision-making operates to accommodate both local and national needs.

However, it is rather a different matter if the spending patterns all tend to point in one direction, towards expansion, without any one body being fully accountable for the total national spend. For example, it has been clear that the government wanted to ensure higher numbers of officers, and one mechanism for achieving this was to create ring-fenced funds for recruitment. Although the increased use of civilians has been seen as desirable, it could be argued that ring-fenced funds have created disincentives to develop a staffing mix that address needs in efficient and innovative ways. Certainly, as we saw in chapter one, the APA signalled doubts about the impact of ring-fenced

funds on local initiatives and decisions about local staffing needs. The important review of policing by Sir Ronnie Flanagan also identified anomalies in distribution of grants arising from the 'capping' regime and particular calculations of the funding formula (Flanagan, 2008: 28). While we have no space to resolve these questions here, there does seem to be a case for further discussion and analysis of the relationship between mechanisms decreed from the centre and local decisions about flexible patterns of spending.

We are not aware of previous publications that have collated the total spending data in the way we have here. In the light of the distribution of spending decisions, it seems that, as no one body has the responsibility to decide on local police spending, no one decision-making body actively monitors the sum of local expenditures and communicates it accessibly to the nation. This state of affairs poses urgent questions about the long-term management of police expenditure and the public transparency of the way in which police forces are funded.

The present system of funding is also challenged by proposals to merge or even abolish police authorities. Sir Hugh Orde, president of ACPO, has proposed merging police authorities to improve efficiency (Orde, 2009). The government wishes to support voluntary mergers (Home Office, 2009b: 10). Amalgamations of forces could mean the construction of new police authorities with new memberships and territories that could span ever more local authority areas. Arrangements for precepts will therefore be rather more complicated and, given the extension of the precepts over larger areas, will arguably present questions about how to preserve and foster local accountability.

More radically, the Conservatives' manifesto signals the party's intention, if they form a new government, to end the police authority system and install elected commissioners.

*We will replace the existing, invisible and unaccountable police authorities and make the police accountable to a directly-elected individual who will set policing priorities for local communities. **They will be responsible for setting***

**the budget and the strategy for local police forces, with the police retaining their operational independence.**<sup>21</sup>  
(emphasis added).

Police authorities are raising significant local tax precepts as well as setting multi-million pound budgets. The financial implications of their abolition could be profound.

## **The politics of police numbers**

*There has in the past been an unhelpful party political debate around police officer numbers, which has been taken as the sole measure of police success rather than one important contribution to the truly central question of the outcomes which policing can deliver.*<sup>22</sup>

(Flanagan, 2008: 45)

Following this criticism by Sir Ronnie Flanagan, the argument that political competition has driven the rise in police officer numbers has been more recently articulated by the former Commissioner of the Metropolitan Police, Sir Ian Blair, in a widely reported lecture (Blair, 2010). Perhaps his views have been sharpened by the circumstances of his leaving office after clashing with the new Mayor of London, Boris Johnson. However, his underlying claim was that all the parties, not one in particular, have made it impossible to hold a rational debate on police numbers. So when 'crime' is perceived to fall, as some measures seem to indicate, it is still politically unacceptable to propose a reduction in the police:

*All Home Secretaries want to see crime falling. The logical position on officer numbers should be one in which a Home Secretary could take pride in announcing that, because crime and anti-social behaviour had fallen, his or her government was now going to reduce police officer*

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<sup>21</sup> The Conservative Manifesto 2010: [http://media.conservatives.s3.amazonaws.com/manifesto/cpmanifesto2010\\_hires.pdf](http://media.conservatives.s3.amazonaws.com/manifesto/cpmanifesto2010_hires.pdf)

<sup>22</sup> Citing the 2005 general election as an example, one commentator summed up the competitive process as follows: 'Police numbers were seen as a political virility symbol ...' Loveday, 2008: 65.

*numbers with consequent saving to the public purse. The strength of the political impossibility of that statement is its own testament: every other party would go on the attack, as the opposition to Boris Johnson on the Greater London Assembly have just done this week, after his announcement of cuts to officer numbers in the Met.*<sup>23</sup>

He went on to criticise all the parties for – in his assessment – refusing to allow the rationalisation of staff roles and allocations, which would mean reducing numbers of police officers:

*The extraordinary failure of political parties of all stripes to allow police chiefs to reduce officer numbers in order to replace some officers with more cost efficient non-sworn staff is a disgrace, as is the dreadful gap of provision in relation to organised crime. The relationship with private security is increasingly unclear. And all this during a period of huge increases in funding.*

(Blair, 2010)

The president of ACPO, Sir Hugh Orde, has echoed concerns about a simplistic political focus upon numbers ‘on the beat’:

*It is quite scary if people who are claiming to represent communities see the solution simply as more cops on the street while all the evidence shows that if you're a patrolling officer the chance of coming within half a mile of a burglary is about once every 150 years.*

(Orde, 2009)

Whether greater police numbers reduce crime is indeed far from proven, as the next section makes clear.

We do not have to accept the validity of all these arguments to conclude that, while the reasons for the scale of spending over the past ten years remain debatable, political competition seems to

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<sup>23</sup> ‘Boris to cut over 400 police’, *The Guardian*, 3 February 2010: [www.guardian.co.uk/uk/2010/feb/03/boris-cuts-police-london](http://www.guardian.co.uk/uk/2010/feb/03/boris-cuts-police-london)

have played a significant role in increasing police officer numbers and a far more rational and informed debate should be fostered.

### **‘A thinner blue line?’ Looking back and looking forward**

During the past decade the benefits of increased spending have remained surprisingly open to question. While some would argue that the benefits have been clear, a positive view is not universally accepted. In 2006/2007 the Home Affairs Committee sought to examine evidence about police funding in the context of the Comprehensive Spending Review 2007 and the outlook for funding up to 2010/2011. Its report challenged the view that increased spending in previous years had had a proven impact on crime levels. It also urged strongly that resources, though they were properly managed, should be better targeted. Its main conclusions are worth citing in some detail:

*A significant drop in overall crime as measured by the British Crime Survey (BCS) occurred between 1995 and 2001 but the downward trend has levelled off since then. In contrast, the bulk of additional police funding was provided during the second half of the last decade, from 2000–01 to 2004–05. It follows that the significant decrease in overall BCS-measured crime occurred before any significant increase in police funding or police officer numbers. Although it is difficult to draw firm conclusions from high-level data on overall crime and funding levels, **the reduction in overall crime levels does not seem to have been directly related to additional resources** (emphasis added).  
(HAC, 2007)*

Recent assessments by HM Treasury and the Audit Commission confirm that there is scope for significant further improvement in police use of resources:

**We consider it unacceptable that the significant recent investment in the police is not being used to maximum effect** [emphasis added]. We recommend that senior police leadership must demonstrate that they are making concerted and sustained efforts to target their resources effectively so as



*to achieve the Audit Commission's level 4 'strong performance' rating — which to date has not been achieved by any of the forces in England and Wales*<sup>24</sup>.  
(HAC, 2007: summary, p.3)

After considering the evidence relating to several previous years, the Committee's comments implied a much more cautious approach towards new spending. The lessons of past expenditure would have to be translated into a more watchful supervision in the future, when a reduction in the average annual increase was due to take effect.

The review of policing by Sir Ronnie Flanagan published in 2008 also cast a spotlight on the management of costs, staff numbers and performance.

It recommended various changes in costing and performance assessment. It stated that objective costing would break down costs by function and

*would provide, **for the first time**, a basis of comparison between forces that would allow an informed debate to take place about costs, staffing numbers and performance, in each of the major policing functions. (emphasis added).*  
(Flanagan, 2008: 25)

On police numbers, the report warned against recruitment of 'standing armies' ready for a major eventuality but otherwise underoccupied:

*The number of officers we need is a careful balance between the risks we face, and ensuring that we don't simply have officers forming large standing armies for the majority of the time, deployed only if there is a major incident of some kind.*  
(ibid: 45)

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<sup>24</sup> In 2005/2006 auditors appointed by the Audit Commission scored police forces on four levels according to how well they deployed resources. It found that 33 per cent of police forces were performing 'adequately' (level 2) and 65 per cent were performing 'well' (level 3). However, no police force scored 'strong performance' (level 4), and one force's performance was 'inadequate' (level 1): HAC (2007).

As we indicated in the previous section of this report, Flanagan's comments point to the drawbacks of recruiting a large workforce, hoping it will be 'resilient' enough to meet unforeseen challenges.

In December 2009 the government made proposals in a White Paper intended to tackle a range of challenges for police authorities and services. Strengthening the governance and accountability of police authorities was part of its strategic aims. Another dimension was to ensure efficient management of resources by various measures such as reducing bureaucracy, establishing a duty on local authorities to produce a value for money statement, and creating a national procurement framework. Benchmarking of costs and performance was encouraged and savings of at least £545m a year were to be achieved by 2014 (Home Office, 2009b).

The government's expectations of 'process improvement' imply large productivity gains:

*By 2013/14 we expect the police service to have used process improvement to increase its delivery to the public by an equivalent of at least around £0.5 billion a year, equivalent to increasing the size of the police service by some 10,000 officers.*  
(ibid: 78)

If there are such gains to be made, it would seem reasonable to consider again what might be the results of more fundamental review of the workforce, along the lines suggested by commentators such as Ian Blair.

Very recently the HAC took another detailed look at service strength and its report called for a review of the funding formula, acknowledging current pressures on individual force staffing levels. Some forces were reported to be planning cuts in officer numbers (HAC, 2010). From that discussion it seems that a major challenge will be to reconcile the central and local drivers of police funding so that the public in particular areas are not disadvantaged, but there is also an historic opportunity to stage a national debate on what the long-term priorities for police spending should be.

There is understandable resistance to the idea that financial stringencies alone should drive changes and the Police Federation has called for decisions to be made on the basis of a 'wholesale review of policing in an environmental context' (*The Times*, 26 January 2010: 8). A similar call had been made by the president of ACPO (Orde, 2009).

The fact that spending has so vastly increased in the past decade should be a stimulus to fresh thinking about the shape and size of the police service as a whole. Instead of adapting to financial pressure it would be much better if the decision-makers launch a concerted dialogue with the public about strategic aims, priorities and methods of working. A new political debate about police numbers could become a sterile diversion unless there is a fundamental discussion about what the police are for, and what that means for the public purse. Are the police meant to reduce crime, protect the public from harm or simply provide reassurance? What is the most appropriate and effective balance between local and central funding? We hope that in ten years' time a report on spending since 2010 will show how clear argument and evidence have informed a pattern of expenditure that will inevitably be different from the one described here.

## Appendix A Tables of figures

All tables refer to the period 1998/1999 to 2008/2009 unless stated.

**TABLE 1: OVERALL POLICE AUTHORITY EXPENDITURE, ACTUALS (£BN)**

Year	Revenue expenditure	Capital expenditure	Total expenditure
1998/1999	7.450	0.266	7.716
1999/2000	7.800	0.284	8.085
2000/2001	8.310	0.281	8.591
2001/2002	8.971	0.364	9.335
2002/2003	9.398	0.432	9.831
2003/2004	10.178	0.546	10.724
2004/2005	11.514	0.564	12.078
2005/2006	12.364	0.639	13.003
2006/2007	13.272	0.556	13.828
2007/2008	13.667	0.584	14.250
2008/2009	13.715	0.831	14.546

**TABLE 2: OVERALL POLICE AUTHORITY EXPENDITURE, REAL TERMS (£BN)**

<b>Year</b>	<b>Revenue expenditure</b>	<b>Capital expenditure</b>	<b>Total expenditure</b>	<b>Change in annual total expenditure</b>
1998/1999	9.489	0.339	9.828	
1999/2000	9.744	0.355	10.099	+2.8%
2000/2001	10.246	0.347	10.593	+4.9%
2001/2002	10.819	0.439	11.258	+6.3%
2002/2003	10.981	0.505	11.485	+2.0%
2003/2004	11.565	0.621	12.186	+6.1%
2004/2005	12.729	0.623	13.353	+9.6%
2005/2006	13.419	0.693	14.112	+5.7%
2006/2007	13.990	0.586	14.577	+3.3%
2007/2008	14.002	0.598	14.600	+0.2%
2008/2009	13.715	0.831	14.546	-0.4%

**TABLE 3: POLICE AUTHORITY REVENUE EXPENDITURE MET BY INCOME SOURCE, ACTUALS (£BN)**

Year	National contribution to revenue expenditure				Local police authority generated contribution to revenue expenditure			Total revenue expenditure
	National non-domestic rates (NDRs)	Revenue Support Grant (RSG)	Home Office Police Revenue Grant <sup>29</sup>	Specific grants	Council tax	Use of reserves	Contribution to police authority reserves	
1998/1999	1.012	1.514	3.656	0	1.027		-0.138	<b>7.450</b>
1999/2000	1.104	1.510	3.711	0	1.122	0.004 <sup>30</sup>	0.350	<b>7.800</b>
2000/2001	1.161	1.208	4.303	0.127	1.099		-0.045	<b>8.310</b>
2001/2002	1.022	1.064	5.094	0.242	1.095		-0.034	<b>8.971</b>
2002/2003	1.118	1.009	5.197	0.361	1.269		-0.120	<b>9.398</b>
2003/2004	0.792	2.008	4.530	0.511	2.055		-0.361	<b>10.178</b>
2004/2005	0.746	2.191	4.649	0.561	2.330	0.309	0.729	<b>11.514</b>
2005/2006	0.897	2.234	4.545	0.949	2.488	0.426	0.826	<b>12.364</b>
2006/2007	2.106	1.161	4.162	1.352	2.656	0.939	0.895	<b>13.272</b>
2007/2008	2.848	0.588	4.851	1.014	2.829	0.582	0.954	<b>13.667</b>
2008/2009	3.014	0.519	4.995	1.137	2.999	0.007	1.045	<b>13.715</b>

<sup>29</sup> Includes special grant to the Metropolitan Police.

<sup>30</sup> Includes £148,000 contribution from local authorities to the Metropolitan Police.

**TABLE 4: POLICE AUTHORITY REVENUE EXPENDITURE MET BY INCOME SOURCE, REAL TERMS (£BN)**

Year	National contribution to revenue expenditure				Local police authority generated contribution to revenue expenditure				Total revenue expenditure
	NNDR	RSG	Office Police Revenue Grant <sup>31</sup>	Specific grants	Council tax	Contribution to police authority reserves	Use of reserves	Income generated	
1998/1999	1.289	1.929	4.657	0	1.308	-0.176		0.483	9.489
1999/2000	1.380	1.886	4.635	0	1.401		0.005	0.437	9.744
2000/2001	1.431	1.490	5.305	0.157	1.355	-0.055		0.563	10.246
2001/2002	1.232	1.283	6.144	0.292	1.321	-0.041		0.588	10.819
2002/2003	1.306	1.178	6.072	0.422	1.482	-0.140		0.661	10.981
2003/2004	0.901	2.281	5.147	0.581	2.335	-0.410		0.730	11.565
2004/2005	0.825	2.422	5.140	0.620	2.576		0.341	0.806	12.729
2005/2006	0.974	2.424	4.932	1.030	2.701		0.462	0.896	13.419
2006/2007	2.220	1.224	4.388	1.425	2.800		0.989	0.944	13.990
2007/2008	2.918	0.602	4.970	1.039	2.898		0.596	0.977	14.002
2008/2009	3.014	0.519	4.995	1.137	2.999		0.007	1.045	13.715

<sup>31</sup> Includes special grant to the Metropolitan Police.

**TABLE 5: EXPENDITURE MET BY EIGHT LARGEST SPECIFIC GRANTS AND ALL SPECIFIC GRANTS, ACTUALS, 2000/2001 TO 2008/2009, (£M)**

Year	Private Finance Initiative (PFI) Grant	Crime Fighting Fund	Rural Policing Grant	Airwave Revenue Grant	BCU Fund	CSO and (from 2005/2006) Neighbourhood Policing Grant	Police Grant additional rule 2	Security Grant <sup>32</sup>	Total all Specific Grants
2000/2001	4.188	39.228	13.246						127.482
2001/2002	8.863	91.775	29.638	17.642					242.212
2002/2003	18.625	157.537	25.940	17.249					361.036
2003/2004	26.892	188.374	29.927	22.277	35.996	19.020			511.456
2004/2005	33.236	196.214	29.492	22.096	37.160	29.948			560.912
2005/2006	31.400	276.355		21.091	38.878	114.435	188.739		948.593
2006/2007	37.132	277.673			37.689	193.681	115.547	73.093	1,352.295
2007/2008	40.990	203.747			37.065	223.551	132.620	82.898	1,014.423
2008/2009	40.273	205.049			30.843	231.324	148.472	58.249	1,136.598
Total spend per eight largest specific grants	241.599	1,635.952	128.243	100.355	217.631	811.959	585.378	214.240	6,255.007

<sup>32</sup> Includes dedicated security posts and counter-terrorism grants.



TABLE 6: EXPENDITURE MET BY EIGHT LARGEST SPECIFIC GRANTS AND ALL SPECIFIC GRANTS, REAL TERMS, 2000/2001 TO 2008/2009 (£M)									
Year	PFI Grant	Crime Fighting Fund	Rural Policing Grant total	Airwave Revenue Grant	BCU Fund	CSO and (from 2005/2006) Neighbourhood Policing Grant	Police Grant additional rule 2	Security Grant <sup>33</sup>	Total all Specific Grants (£bn)
2000/2001	5.164	48.366	16.332						0.1579
2001/2002	10.689	110.682	35.744	21.276					0.292
2002/2003	21.760	184.056	30.307	20.153					0.422
2003/2004	30.557	214.049	34.006	25.313	40.902	21.612			0.581
2004/2005	36.745	216.929	32.605	24.429	41.083	33.110			0.620
2005/2006	34.079	299.933		22.890	42.195	124.198	204.842		1.030
2006/2007	39.142	292.703			39.729	204.165	121.802	77.049	1.425
2007/2008	41.995	208.744			37.974	229.034	135.873	84.931	1.039
2008/2009	40.273	205.049			30.843	231.324	148.472	142.378	1.1378
Total spend per eight largest specific grants	260.404	1,780.511	148.994	114.061	232.726	843.443	610.988	304.359	6.703

<sup>33</sup> Includes dedicated security posts and counter-terrorism grants.

TABLE 7: POLICE AUTHORITY CAPITAL EXPENDITURE MET BY INCOME SOURCES, ACTUALS (£M)							
Year	National contribution to capital expenditure			Local police authority contribution to capital expenditure			Total capital expenditure
	Government grants	Borrowing	Credit cover for leased property	Usable capital receipts	Direct revenue financing	Other source	
1998/1999	75.675	46.793	0.035	63.736	78.247	1.356	265.842
1999/2000	81.195	42.083	0	83.248	76.015	1.956	284.497
2000/2001	65.860	43.611	0	68.020	87.018	16.688	281.197
2001/2002	120.031	53.708	1.218	84.058	97.169	7.853	364.037
2002/2003	140.517	85.333	2.773	65.755	117.403	20.312	432.093
2003/2004	248.162	69.801	0.278	76.479	133.239	18.380	546.339
2004/2005	236.622	111.354		94.765	119.362	1.642	563.745
2005/2006	248.403	187.207		94.725	93.799	14.742	638.876
2006/2007	223.795	133.635		81.793	80.111	36.659	555.993
2007/2008	191.136	147.053		112.222	102.044	31.210	583.665
2008/2009	251.431	342.507		132.431	70.988	32.554	829.911

**TABLE 8: POLICE AUTHORITY CAPITAL EXPENDITURE MET BY INCOME SOURCES, REAL TERMS (£M)**

Year	National contribution to capital expenditure			Local police authority contribution to capital expenditure			Total capital expenditure
	Government grants	Borrowing	Credit cover for leased property	Usable capital receipts	Direct revenue financing	Other source	
1998/1999	96,390	59,602	0.045	81,183	99,666	1,727	338,613
1999/2000	101,425	52,568	0.000	103,990	94,955	2,443	355,381
2000/2001	81,202	53,770	0.000	83,866	107,289	20,576	346,703
2001/2002	144,759	64,772	1.469	101,375	117,187	9,471	439,033
2002/2003	164,171	99,697	3.240	76,824	137,166	23,731	504,829
2003/2004	281,986	79,315	0.316	86,903	151,399	20,885	620,804
2004/2005	261,602	123,110		104,769	131,963	1,815	623,260
2005/2006	269,596	203,179		102,807	101,802	16,000	693,383
2006/2007	235,909	140,869		86,220	84,447	38,643	586,089
2007/2008	195,824	150,660		114,974	104,547	31,975	597,981
2008/2009	251,431	342,507		132,431	70,988	32,554	829,911

**TABLE 9: POLICE SERVICE EXPENDITURE FOR ENGLAND AND WALES, ACTUAL,  
1998/1999 TO 2008/2009 (£BN)**

Year	Total employee expenses	Total premises expenses	Total transport expenses	Total supply and services	Total third- party payments	Total capital financing costs	Total other costs	Total gross revenue expenditure	Total gross capital expenditure	Total gross expenditure
1998/1999	6.145	0.249	0.159	0.514	0.208	0.139	0.037	7.450	0.266	7.716
1999/2000	6.393	0.285	0.165	0.536	0.249	0.128	0.044	7.800	0.284	8.085
2000/2001	6.650	0.295	0.195	0.736	0.240	0.176	0.017	8.310	0.281	8.591
2001/2002	7.120	0.328	0.214	0.870	0.270	0.152	0.015	8.971	0.364	9.335
2002/2003	7.570	0.354	0.226	0.919	0.167	0.147	0.016	9.398	0.432	9.831
2003/2004	8.125	0.397	0.229	1.077	0.141	0.085	0.124	10.178	0.546	10.724
2004/2005	9.375	0.461	0.246	1.134	0.144	0.024	0.131	11.514	0.564	12.078
2005/2006	10.052	0.480	0.268	1.234	0.160	0.025	0.145	12.364	0.639	13.003
2006/2007	10.791	0.510	0.283	1.258	0.191	0.170	0.070	13.272	0.556	13.828
2007/2008	11.187	0.548	0.286	1.283	0.175	0.183	0.004	13.667	0.584	14.250
2008/2009	11.036	0.618	0.331	1.349	0.168	0.164	0.049	13.715	0.830	14.545

From 1998/1999 to 2004/2005 pensions included in this table under 'total employee expenses'. From 2000/2001 to 2004/2005 'transfer payments' included under 'third-party payments'. From 2006/2007 to 2007/2008: 'mutual aid' included in 'third-party payments'; 'Total gross capital expenditure' covers different headings in different years but includes land and buildings, vehicles, plant, machinery and equipment, air support, information, communication and technology. For the years 1998/1999 and 1999/2000 the figures are for planned rather than actual expenditure. 'Total gross revenue expenditure' excludes capital expenditure but includes capital financing costs. In 1998/1999 data were missing from some police authorities and some figures are estimates; because of this, there may be an apparent discrepancy between the overall total for the gross revenue expenditure and the sums of the constituent items in that year.

**TABLE 10: POLICE SERVICE EXPENDITURE FOR ENGLAND AND WALES,  
REAL TERMS, 1998/1999 TO 2008/2009 (£BN)**

Year	Total employee expenses	Total premises expenses	Total transport expenses	Total supply and services	Total third- party payments	Total capital financing costs	Total other costs	Total capital expenditure
1998/1999	7.827	0.317	0.203	0.654	0.265	0.178	0.047	0.339
1999/2000	7.986	0.356	0.206	0.669	0.311	0.160	0.055	0.355
2000/2001	8.199	0.364	0.240	0.908	0.296	0.217	0.021	0.347
2001/2002	8.587	0.396	0.259	1.050	0.326	0.184	0.018	0.439
2002/2003	8.844	0.414	0.264	1.074	0.196	0.171	0.018	0.505
2003/2004	9.232	0.452	0.260	1.224	0.160	0.097	0.141	0.621
2004/2005	10.364	0.509	0.272	1.254	0.159	0.027	0.144	0.623
2005/2006	10.910	0.521	0.291	1.339	0.174	0.027	0.157	0.693
2006/2007	11.375	0.538	0.298	1.326	0.201	0.179	0.073	0.586
2007/2008	11.461	0.562	0.293	1.314	0.179	0.188	0.004	0.598
2008/2009	11.036	0.618	0.331	1.349	0.168	0.164	0.049	0.83

From 1998/1999 to 2005/2006, pensions included in this table in 'total employee expenses'. From 2000/2001 to 2004/2005, 'transfer payments' included in 'third-party payments'. From 2006/2007 to 2007/2008, 'mutual aid' included in 'third-party payments'. Total gross capital expenditure covers different headings in different years but includes land and buildings, vehicles, plant, machinery and equipment, air support, information, communication and technology. 'Total gross revenue expenditure' excludes capital expenditure but includes capital financing costs. For the years 1998/1999 and 1999/2000 the figures for capital expenditure refer to planned capital expenditure. From 2000/2001 onwards the figures refer to actual gross capital expenditure.

**TABLE 11: POLICE SERVICE EXPENDITURE FOR ENGLAND AND WALES, REAL TERMS GROWTH RATE, 1998/1999 TO 2008/2009 (£bn)**

Year	Real-terms gross expenditure in 2008/2009 prices (£bn)	Real-terms growth rate (%) *
1998/1999	9.828	
1999/2000	10.099	2.8
2000/2001	10.593	4.9
2001/2002	11.258	6.3
2002/2003	11.485	2.0
2003/2004	12.186	6.1
2004/2005	13.353	9.6
2005/2006	14.112	5.3
2006/2007	14.577	3.3
2007/2008	14.600	0.2
2008/2009	14.545	-0.4

\*Year-on-year percentage growth  
Expenditure figures include capital expenditure.

**TABLE 12: SALARIES EXPENDITURE FOR ENGLAND AND WALES, ACTUAL, 1998/1999 TO 2008/2009 (£bn)**

Year	Police officers	Other staff	Total
1998/1999	4.062	1.109	5.171
1999/2000	4.211	1.167	5.378
2000/2001	4.235	1.150	5.385
2001/2002	4.564	1.314	5.878
2002/2003	4.816	1.484	6.300
2003/2004	5.269	1.660	6.929
2004/2005	5.554	1.883	7.437
2005/2006	5.794	2.099	7.893
2006/2007	7.966	2.701	10.666
2007/2008	8.102	2.918	11.020
2008/2009	7.811	2.899	10.710

From 2004/2005 'other staff' salaries are broken down according to traffic wardens, PCSOs and other staff.

**TABLE 13: SALARIES EXPENDITURE FOR ENGLAND AND WALES, REAL TERMS, 1998/1999 TO 2008/2009 (£BN)**

Year	Total actual salaries of police officers and other staff	Total salaries in real terms
1998/1999	5.171	6.586
1999/2000	5.378	6.718
2000/2001	5.385	6.639
2001/2002	5.878	7.089
2002/2003	6.300	7.361
2003/2004	6.929	7.874
2004/2005	7.437	8.222
2005/2006	7.893	8.567
2006/2007	10.666	11.244
2007/2008	11.020	11.290
2008/2009	10.710	10.710

**TABLE 14: OVERTIME EXPENDITURE FOR ENGLAND AND WALES, 1998/1999 TO 2008/2009 (£M)**

Year	Police officers	Other staff	Total	Police officer overtime as proportion of total overtime %	Other staff overtime as proportion of total overtime %	Overtime as proportion of total employee expenses %
1998/1999	208.740	38.511	247.251	84.4	15.6	4.0
1999/2000	249.720	32.364	282.084	88.5	11.5	4.4
2000/2001	288.549	38.009	326.558	88.4	11.6	4.9
2001/2002	321.367	38.525	359.892	89.3	10.7	5.1
2002/2003	373.229	43.342	416.571	89.6	10.4	5.5
2003/2004	371.627	48.733	420.360	88.4	11.6	5.2
2004/2005	394.049	53.866	447.915	88.0	12.0	4.8
2005/2006	415.624	60.183	475.807	87.4	12.6	4.7
2006/2007	411.929	62.040	473.969	86.9	13.1	4.4
2007/2008	434.154	64.290	498.444	87.1	12.9	4.5
2008/2009	398.048	68.505	466.553	85.3	14.7	4.2

Overtime is included in salaries.

**TABLE 15: POLICE SERVICE CAPITAL EXPENDITURE FOR ENGLAND AND WALES,  
REAL TERMS, 1998/1999 TO 2008/2009 (£M)**

<b>Year</b>	<b>Total gross capital expenditure</b>	<b>Total gross capital expenditure real</b>
1998/1999	265.8	338.6
1999/2000	284.5	355.4
2000/2001	281.2	346.7
2001/2002	364.0	439.0
2002/2003	432.1	504.8
2003/2004	546.3	620.8
2004/2005	563.7	623.3
2005/2006	638.9	693.4
2006/2007	556.0	586.1
2007/2008	583.7	598.0
2008/2009	829.9	829.9

For 1998/1999 and 1999/2000 the figures refer to planned capital expenditure. From 2000/2001 onwards the figures refer to actual gross capital expenditure.



**TABLE 16: TOTAL POLICE SERVICE STRENGTH (FTE) (EXCLUDING STAFF ON CAREER BREAKS AND MATERNITY/PATERNITY LEAVE)  
FOR ENGLAND AND WALES, 31 MARCH 1998 TO 31 MARCH 2009**

Year	ACPO ranks	Superintendents (includes chiefs)	Chief Inspectors	Inspectors	Sergeants	Constables	Totals excluding secondments
31 March 1998	192	1,230	1,609	6,050	18,603	97,072	124,756
31 March 1999	200	1,213	1,604	5,936	18,738	96,150	123,841
31 March 2000	196	1,226	1,574	5,941	18,500	94,518	121,956
31 March 2001	195	1,218	1,552	6,012	18,601	95,898	123,476
31 March 2002	204	1,256	1,550	6,195	18,574	99,487	127,267
31 March 2003 <sup>3</sup>	195	1,256	1,659	6,269	18,612	103,435	131,426
31 March 2004	208	1,380	1,755	6,411	18,828	108,524	137,105
31 March 2005	214	1,456	1,841	6,760	20,183	109,037	139,491
31 March 2006	216	1,467	1,847	6,923	20,899	108,279	139,631
31 March 2007	206	1,453	1,840	6,999	21,715	107,819	140,032
31 March 2008	202	1,492	1,860	7,118	22,008	107,048	139,728
31 March 2009	217	1,489	1,907	7,350	22,412	108,272	141,647
<b>Change between 31 March 1998 and 31 March 2009</b>	<b>25</b>	<b>259</b>	<b>298</b>	<b>1,300</b>	<b>3,809</b>	<b>11,200</b>	<b>16,891</b>

\*Special constable figures are given as headcount measures.

<sup>1</sup> This table contains FTE figures that have been rounded to the nearest number. There may therefore be an apparent discrepancy between totals and the sums of the constituent items in the first nine columns.

TABLE 16: CONTINUED

Year	Secondments <sup>2</sup>	Total police officer strength	Civilian staff	PCSOs	Traffic Wardens	Designated Officers <sup>4</sup>	Total police service strength (excl special constables)	Special Constables*
31 March 1998	2,058	126,814	52,975	0	3,788	0	183,577	18,256
31 March 1999	2,255	126,096	53,031	0	3,342	0	182,469	16,484
31 March 2000	2,214	124,170	53,227	0	2,855	0	180,252	14,374
31 March 2001	2,206	125,682	54,588	0	2,516	0	182,786	12,738
31 March 2002	2,336	129,603	58,909	0	2,233	0	190,745	11,598
31 March 2003	1,940	133,366	62,172	1,176	2,067	0	198,781	11,037
31 March 2004	2,095	139,200	67,581	3,417	1,652	0	211,850	10,988
31 March 2005	1,735	141,230	70,869	6,201	1,252	1,128	220,680	11,918
31 March 2006	1,748	141,381	73,243	6,737	1,036	1,323	223,720	13,179
31 March 2007	482	140,514	73,793	13,438	751	1,601	230,097	14,021
31 March 2008	502	140,230	75,424	15,683	584	1,903	233,824	14,547
31 March 2009	504	142,151	77,609	16,331	458	3,058	239,607	14,251
<b>Change between 31 March 1998 and 31 March 2009</b>								
	<b>-1,554</b>	<b>15,337</b>	<b>24,634</b>	<b>16,331</b>	<b>-3,330</b>	<b>3,058</b>	<b>56,030</b>	<b>-4,005</b>

<sup>2</sup> Secondments to NCIS, NCS and central services: from 31 March 2007 onwards, following the launch of the Serious Organised Crime Agency (SOCA) in April 2006, details of officers seconded to NCIS and NCS no longer appear. This means that, from 31 March 2007, these figures only show secondments to central services.

<sup>3</sup> Figures from 31 March 2003 onwards exclude staff on career breaks or maternity/paternity leave so that they are comparable to earlier years.

<sup>4</sup> Excludes PCSOs.

## Appendix B

### Glossary and definitions

This section provides definitions of key terms and what is included in the CIPFA categories discussed in the chapters. It is divided alphabetically by chapter and theme.

#### **Chapter one: Trends in income sources for police authority expenditure**

##### **REVENUE EXPENDITURE**

##### **Council tax/police precept**

The police precept is collected through local council tax. The amount requested is determined by police authorities. From 2005 a national cap on overall council tax and police precept increases has been imposed.

##### **Home Office Revenue Police Grant**

The Revenue Police Grant (Police Grant) is distributed by the Home Office to police authorities. The annual amount allocated to each police authority is determined by a population-based formula, which takes into account factors such as crime management patrol and pensions. This allocation is drawn up in consultation with the Association of Chief Police Officers (ACPO) and the Association of Police Authorities (APA). Police authorities determine how this money is spent. Floors and ceilings are used to control for any sudden fluctuations in a police authority's allocation. The 2007 Comprehensive Spending Review is reported to have lessened the application of these dampening mechanisms in order to transit to implementing the full funding formula without dampeners

(Home Office, 2008a: 8). The Police Grant figures in this report include additional funding allocated to the Metropolitan Police in recognition of the national functions the service undertakes.

### **Income generated**

This includes police authorities' income from sales, fees, charges, rents, reimbursed services, income from special police services and contributions from local authorities (under section 92 of the Police Act 1996).

### **National non-domestic rates (NNDRs)**

NNDRs are a tax collected by local authorities from those who occupy non-domestic dwellings. The tax is pooled centrally and redistributed to police authorities (except for City of London).

### **Police authority reserves**

Police authorities or their treasurers determine what items of expenditure are funded by reserves.

### **Revenue Support Grant (RSG)**

The RSG is allocated by central government to local authorities.

### **Specific grants**

These are ring-fenced, Home Office-allocated funds, which police authorities apply for. The Specific grants were introduced in 2000/2001 to deliver central government key aims in policing, to fund new police initiatives and, in the case of grants such as the Rural Policing Grant, to target funding outside the main police funding formula.

## **CAPITAL EXPENDITURE**

### **Borrowing**

The centrally approved amount police authorities can borrow for capital expenditure.

### **Direct revenue financing**

Police authorities' use of revenue funds for capital expenditure.

### **Government grants**

Central funds allocated to police authorities by the same formulas as the Revenue Police Grant.

### **Other police authority sources**

Include funds from third-party contributions, operating leases and the use of police authority reserves.

### **Usable capital receipts**

Funds generated by police authorities' sale of capital assets.

## **SPECIFIC GRANTS**

### **Airwave Revenue Grant (2001/2002 to 2005/2006)**

Funds for a national mobile communication network across the England and Wales police service.

### **Basic Command Unit (BCU) Fund (2003/2004 to date)**

Funds for BCUs to 'help deliver crime and disorder reduction locally' (Home Office, 2008b). Includes supporting work on crime and disorder reduction partnerships (CDRPs) and community safety partnerships (CSPs).

### **Community Support Officer (CSO) and, from 2005/2006, Neighbourhood Policing Grant (2003/2004 to date)**

Provides funds for neighbourhood policing, including 75 per cent of PCSO salary costs as calculated by the Home Office.

### **Crime Fighting Fund (CFF) (2000/2001 to date)**

Grant to employ additional police officers.

### **Police Grant additional rule 2 (2005/2006 to date)**

Grant to direct funds to police authorities outside the needs-based revenue funding formula. Combined four previously separate specific grants: the Rural Policing Grant, the Forensic Grant (previously referred to as the DNA Expansion Grant), the Special Priority Payment Grant, and the London and South East Allowance Grant. From 2008/2009 also includes the Initial Police Learning and Development Programme Grant.

**Private Finance Initiative (PFI) Grant (2000/2001 to date)**

Funding for capital project or public services delivered by the private sector under contract. For example, contracting a private company to design, build and maintain a facility.

**Rural Policing Grant (2000/2001; consolidated into Police Grant additional rule 2 from 2005/2006)**

Funds to police authorities in more sparsely populated areas to spend as identified by local police service.

**Security Grant (2006/2007 to date)**

A CIPFA-specific grant category, which includes the Dedicated Security Posts Grant and Counter-Terrorism Grant.

## **Chapter two: Police service expenditure**

*Please note: the following headings refer to expenditure as expressed in CIPFA accounts. What is included under these main headings may vary from year to year across the period 1998/1999 to 2008/2009.*

**Capital expenditure**

Includes land and buildings, vehicles, plant, machinery and equipment, air support, communications and information technology (computers and specific contracts, e.g. the 'Airwave' service<sup>25</sup>). Within this main category, 'other' capital expenditure includes key workers housing/supported housing ownership expenditure, assets in the course of construction, partnerships (e.g. safety and casualty reduction partnerships), intangible assets.

**Capital financing costs**

Includes debt and leasing charges, capital expenditure met by revenue, revenue cost of PFI projects.

**Employee expenses**

Includes salaries and overtime, pensions (but see chapter two), training, redundancy pay, allowances (e.g. housing allowances).

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<sup>25</sup> Airwave is a digital mobile radio service.

### **Other costs**

Includes, for example, contract printing, external audit fees, corporate subscriptions (APA, ACPO), surveys and consultations.

### **Premises expenses**

Includes repair, alterations and maintenance, energy costs, water services, rents and rates, contract cleaning, fixtures and fittings, premises insurance.

### **Supply and services**

Include telecommunications, radio, office equipment and materials, uniforms and laundry, catering contracts, medical services, police dogs and horses, maintenance of prisoners, contribution to the police sports and social club, advertising (except for staff), forensics and automatic fingerprint recognition.

### **Third-party payments**

Includes scientific services like DNA testing, transfer payments for individuals where no goods or services were received, and mutual aid. Also, for some years, includes police national computer-related costs, partnership projects and young offender teams, and national levies.

### **Transport expenses**

Includes car allowances, leasing payments for staff cars, cycle allowances, public transport costs, aviation and marine expenses, trading account, petrol, diesel, insurance, vehicle services and maintenance costs.

## **Chapter three: Police service staffing**

### **Basic command unit (BCU)**

BCUs equate to police divisions and are also referred to as operational command units in some forces.

### **Designated officers**

Designated officers are people employed by police authorities and chosen by chief officers to exercise certain powers which

would otherwise only be available to police officers. Designated police staff were introduced as part of the Police Reform Act 2002, sections 38 and 39. The legislation enabled the designation to one or more of four roles: PCSO, investigation officer, detention officer and escort officer.

### **Full-time equivalent (FTE)**

The primary measure for Home Office police service strength statistics. Full-time officers and staff are counted as 1.0, and part-time are counted according to the proportion of full-time hours worked (for example, an officer working 60 per cent of full-time hours is counted as 0.6). Alternative figures for headcount are also published.

### **Headcount**

The alternative count where each officer or staff member is counted as 1.0 whether full-time or part-time. This is the only measure for special constables.

### **Members of the police service**

The majority of police members are officers, ranked in the following way (highest last): constables (including volunteer special constables), sergeants, inspectors, chief inspectors, superintendents, chief superintendents, chief police (ACPO) officers (including assistant chief constables and deputy chief constables). In the City of London and Met police forces only, ACPO ranks also include all ranks between commander and commissioner, deputy commissioner and commissioner.

The rest of the police service consists of non-police employees: PCSOs and other designated officers, metropolitan traffic wardens, and administrative workers fulfilling a range of functional support duties.

In most forces there is also a small number of ACPO-equivalent police staff, i.e. civilians who are part of the top management team of the force. These include posts such as director of finance, director of corporate resources or HIR, where these roles are not undertaken by police officers.



### **Police community support officers (PCSOs)**

PCSOs are police staff employed by a police authority in a highly visible, patrolling role. They are meant to complement the work of police officers by focusing predominantly on lower-level crime, disorder and anti-social behaviour. They are also intended to free up police officer time by taking on functions that do not require the full expertise of an officer. The legislation for PCSOs was introduced as part of the Police Reform Act 2002. The Act enables chief officers to assign PCSOs limited enforcement powers: unlike police officers they do not have the power of arrest, though they can be designated with a power to detain suspects for half an hour. The first PCSOs started work on the streets of London in September 2002.

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