

NEWS RELEASE

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Report by the Comptroller and Auditor General

Financial sustainability of police forces in England and Wales 2018

The Home Office's decision to take a light touch approach to overseeing police forces means it does not know if the police system is financially sustainable. It needs a clearer national picture of what forces require financially to deliver effective services to the public in the future, says today's report by the National Audit Office (NAO).

The Home Office (the Department) is responsible for assessing how much funding police forces need, deciding how much the policing system receives as a whole, and allocating grants to police and crime commissioners. While its understanding of forces' resilience has improved, it does not systematically assess the financial sustainability of forces, nor does it measure the extent and costs of all of the demands they face. Consequently, it does not have a clear picture of what individual forces need to meet local and national demands.

The way the Department chooses to distribute funding has been ineffective and detached from the changing nature of policing for too long. Since 2010, funding has been reduced equally across all forces, with the Department failing to consider the full range of demands on police time, the efficiency of forces, levels of financial reserves and the ability of forces to raise funds locally through council tax. The Department recognised in 2015 that its funding process was ineffective. It has put on hold plans to reform it until the next Spending Review, meaning that any changes will not be implemented until 2020-21 at the earliest.

Total funding to police forces, a combination of central government funding and council tax, has fallen by 19% in real terms since 2010-11¹. Across police forces, overall funding reductions ranged from 25% in Northumbria to 11% in Surrey, with those most reliant on central government funding experiencing the largest cuts. In 2018-19 the Department allowed police and crime commissioners to raise council tax contributions so that their total funding was the same as it was in 2017-18 in real terms, increasing total funding by £280 million.

The main way police forces have managed financial pressures is by reducing their workforce size. The total workforce across forces fell by 18% from a peak of 244,497 staff in March 2010 to 199,752 staff in March 2018, with a 15% drop in police officers. The Department has not forecasted what impact this will have on forces' ability to meet increasing demand. There was also a 20% reduction in the reserves set aside by police forces for planned projects or exceptional events between March 2015 and March 2017, following a 49% increase between March 2011 and

March 2015.

While crime recorded by the Crime Survey for England and Wales decreased by 36% between 2011 and 2018, at the same time police forces have been facing a recent upsurge in reporting of low volume and high harm crime which are more expensive to investigate, such as sexual offences, and an increased threat of terrorism.

The NAO has found early indications that the sector is struggling to deliver an effective service. The Department has acknowledged that there is strong evidence the police are facing increased pressure compared to 2015. While it regards the level of pressure as currently manageable, it recognises that a number of forces are at high risk in terms of future resilience.

Since 2010, there have been fewer breathalyser tests, motoring fixed penalty notices and convictions for drugs trafficking and possession. The time it took to charge an offence increased from 14 days for the year ending March 2016, to 18 days for the year ending March 2018. Furthermore, the proportion of crimes which resulted in a charge or summons fell by six percentage points, from 15% in March 2015 to 9% in March 2018.

The Department relies on the police sector to set its own strategic direction, which it supports through funding and work to improve forces' capabilities. However, it has no overarching strategy of its own for policing, limiting its ability to plan investments and programmes of work over the longer-term. By failing to measure all demands for police services it does not have the ability to allocate funding in a way that fairly takes account of forces' local circumstances. The NAO recommends that the Department improves its understanding of whether forces' funding is adequate to enable the delivery of an efficient and effective police service, and monitors for emerging signs of financial stress to ensure forces are able to meet the growing and changing demands they are facing.

Amyas Morse, the head of the NAO, said today:

“The financial sustainability of police forces and their ability to deliver effective services is reliant on the Home Office understanding national and local demands and allocating funds fairly. There are signs that forces are already experiencing financial strain and struggling to deliver effective services to the public. If the Home Office does not understand what is going on it will not be able to direct resources to where they are needed, with the risk that the situation could get worse.”

Key facts



£12.3bn

The total police budget in 2018-19

£8.6bn

The amount of the £12.3 billion police budget that is funded by central government in 2018-19

19%

Real-term reduction in total funding (from central government and local funding) to police and crime commissioners, 2010-11 and 2018-19

11%

the proportion (of the £8.6 billion) that was allocated from police forces' funding to nationally-led priorities, such as

	transformation funding and police technology programmes
11% to 25%	range in percentage real-terms funding reduction experienced by police forces between 2010-11 and 2018-19
18%	reduction in the size of the total police workforce, including officers, police and community support officers, and other police staff, between March 2010 and March 2018
20%	reduction in the amount of money (reserves) set aside by police forces for planned projects or exceptional events between March 2015 and March 2017, following a 49% increase between March 2011 and March 2015
33 out of 43	number of police forces that were rated good or outstanding in understanding the demand for their services in 2017, down from 34 out of 43 in 2016

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Notes for Editors

1. Total funding to police forces, a combination of central government funding and council tax, has fallen by 19% in real terms since 2010-11, with central government funding dropping by 30%.
2. We reported on the [financial sustainability of police forces in June 2015](#). We concluded that there were significant gaps in the Department's understanding of demand and of pressures on the service, and it needed to be better informed to discharge its duties of overseeing the police and distributing funding.
3. Press notices and reports are available from the date of publication on the [NAO website](#). Hard copies can be obtained by using the relevant links on our website.
4. The National Audit Office scrutinises public spending for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Sir Amyas Morse KCB, is an Officer of the House of Commons and leads the NAO, which employs some 785 people. The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively, and with economy. Our studies evaluate the value for money of public spending, nationally and locally. Our recommendations and reports on good practice help government improve public services. Our work led to audited savings of £741 million in 2017.

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