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Commissioner  
 Clerk to the Police Authority

Our Ref  
 Your Ref  
 Date

5 December 2002

Dear Commissioner/Clerk

## **POLICE FUNDING ALLOCATIONS 2003/04 - METROPOLITAN POLICE AUTHORITY**

The provisional revenue settlement for the police service in 2003/04 was announced today along with details of the police funding formula. The overall increase in funding for policing is 6.2%. The allocations for your authority are detailed in this letter. I am enclosing a copy of the Ministerial Statement which describes the settlement in detail, including the additional elements to be allocated to support specific initiatives. Also enclosed is a copy of the provisional Police Grant Report that sets out the basis of next year's police grant allocations. The text of both these enclosures will be placed on the Home Office internet site <http://www.homeoffice.gov.uk>, and the internet site of the Office of the Deputy Prime Minister, <http://www.odpm.gov.uk>

Changes have been made to the funding formula for 2003/04. These changes are detailed in the attached Ministerial Statement. Other changes have been made as part of the wider local authority settlement. Data changes have also been implemented as usual.

Spending Review 2002 has resulted in substantial increases in central government funding for the police. With these and further increases from Home Office funding spending on policing supported by central Government will rise to £9683 million in 2003/04.

Your police authority will receive funding from the general settlement and for specific initiatives. General information about the specific initiatives are given in the enclosed ministerial statement. This letter contains expected allocations from the Crime Fighting Fund, the Rural Policing Fund, and (where applicable) for Airwave and Street Crime. You will be notified separately about funding through other specific initiatives. Some of this funding will be on a matched funding basis.

As for 2002/03, for the 2003/04 settlement, "floors and ceilings" have been applied. The floor for 2003/04 provides a minimum level of increase of 3%.



## Police Funding

The proposed funding in 2003/04 for your police authority is set out below:

			Increase over 2002/03	
£m	2002/03	2003/04	£m	%
<b>Grant (1)</b>	1926.80	2021.70	94.90	4.9
(1) GLA all functions. Includes Police Grant, RSG (inclusive of floors and ceilings) and NNDR. 2002/03 grant is adjusted because GLA has lost Highways and EPCS FSS				
			Increase over 2002/03	
£m	2002/03	2003/04	£m	%
CFF (3)	61.86	70.46		
Rural				
<b>Total including Grant, CFF, &amp; Rural</b>	<b>1988.66</b>	<b>2092.16</b>	<b>103.50</b>	<b>5.2</b>
(3) Includes an estimate of the costs for taking up additional allocation (£2.17m)				

## Street Crime

Your allocation through the Street Crime Initiative for 2003/04 will be £8.01m.

## Airwave

Capital and current grant allocations for Airwave are made to authorities in the year of service take-up. Grants are also made to enable those forces who have the Airwave service to purchase additional menu services. The cost of the core service will be met separately by the Home Office. As with this year, the payments in 2003/04 will be dependent on forces meeting their RFS (Ready for Service) date

Airwave (Capital and Revenue) £m
£20.02

The settlement continues to take account of the Home Secretary's commitment to improve efficiency and effectiveness in the police service. Future Police Grant allocations will be considered in the light of police authorities meeting the 2% efficiency improvements and the implementation of activity based costing in forces. Guidance on efficiency plans will be issued shortly.

The Home Secretary continues to expect police authorities to set budgets that are



responsible, prudent and reasonable. We shall be monitoring the position very carefully. The National Assembly for Wales is responsible for exercising reserve powers in respect of council tax increases in Wales.

I will write to you shortly about capital allocations.

I will also be sending you a copy of the Government Actuary's Department (GAD) Report explaining how authorities relative need to spend on police pensions in 2003/04 has been projected from revised data provided by authorities this year.

Any written representations on the Government's proposals should be received by me no later than 14 January 2002. Any representations received after that date will be passed to Ministers for information but will not be considered for this settlement. Representations may be sent by post, fax or e-mail.

If you have any enquiries about this letter please contact Alister Williams on 0207 7273 3446 or Sue Lewis on 020 7273 3739.

Yours faithfully

Andrew Ford  
Head of Police Resources Unit

