

## Leicester Leicestershire and Rutland

### Police and Crime Panel

23 February 2024

The Rt Hon Chris Philp MP,  
House of Commons,  
London,  
SW1A 0AA.

Copied to The Rt Hon James Cleverly MP, Home Secretary

Dear The Rt Hon Chris Philp MP,

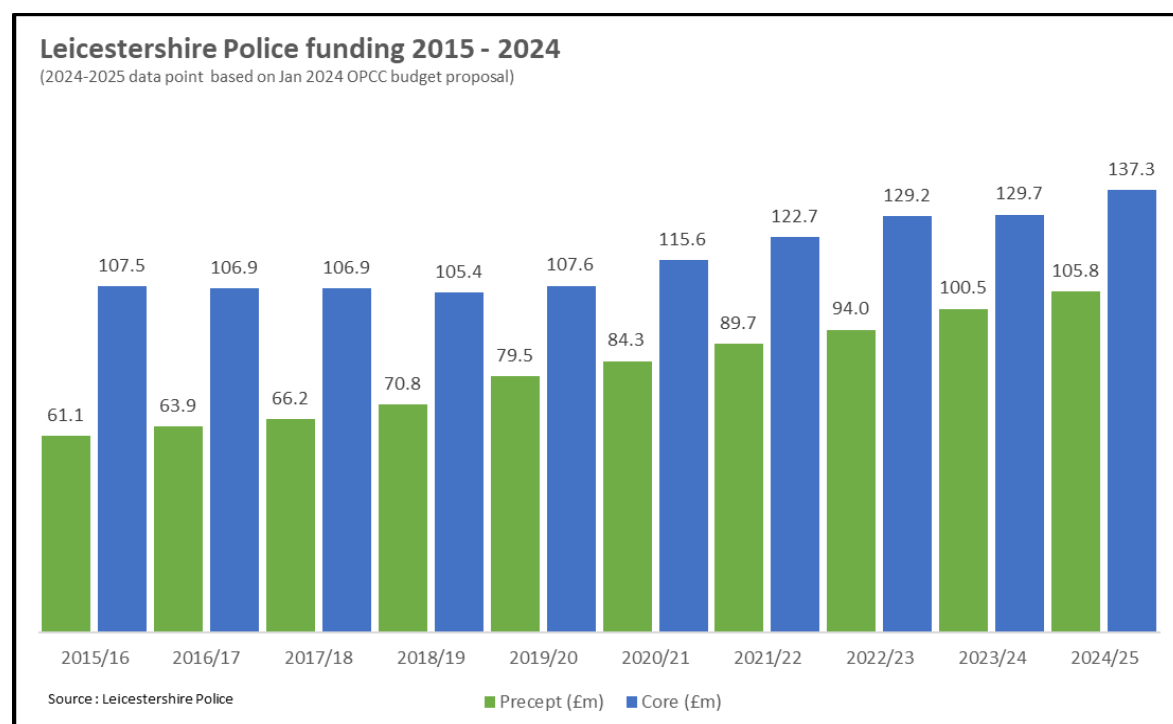
I write to you as Chair of the Police and Crime Panel for Leicester, Leicestershire, and Rutland. The Panel is becoming increasingly concerned about the level of Core Grant Funding from Central Government for Leicestershire Police.

You will see from *Chart 1* (below) what has happened to Core Grant Funding and the locally raised precept since 2015/16. It shows the actual cash grant received each year and does not consider the real terms reduction in funding.

The chart shows that Core Grant Funding has increased from £107.5m in 2015-16 to £137.3m for 2024-25, an increase of 27.7%. The graph also shows that the funding raised locally has increased significantly over the same period. In 2015 £61.1m was raised directly from residents of the area (and related grants); for 2024-25 this will increase to £105.8m. An increase of £44.7m or 73.2% over the period.

In real terms, government funding has been cut by 20% between 2010-2011 and 2022-23 and total funding has been cut by 6% during the same period.

#### Chart 1 - Leicestershire Police Funding 2015-2024

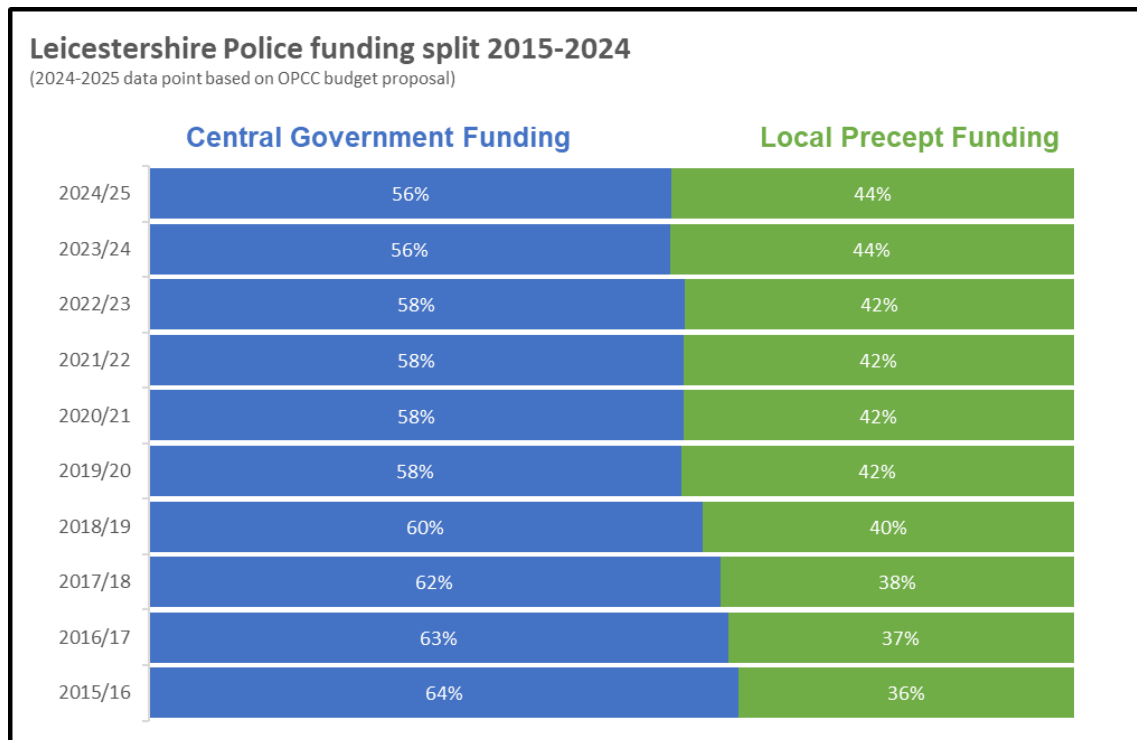


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Chart 2 (below) demonstrates how the total funding has moved between Core Grant and Precept Funding since 2015-16. It shows that in 2015-16, 64% of the funding came from Core Grant Funding with the balance of 36% coming from the local precept. For 2024-25 this has moved significantly to show that 56% of the total funding will come from Core Grant Funding and that 44% of the funding now comes directly from the local taxpayer (and related grants).

**Chart 2 - Leicestershire Police Funding Split 2015-2024**



The Panel is of the view that this decrease in Core Grant Funding cannot be allowed to continue, and the funding of Leicestershire Police should be supported more through Core Grant Funding, rather than putting a huge burden on the residents of Leicester, Leicestershire, and Rutland.

The Panel is concerned that Leicestershire Police is underfunded and that this has a negative impact on the residents of Leicester, Leicestershire and Rutland. One reason why Leicestershire Police is underfunded and has a budget deficit for 2024/25 and beyond is the pay awards for 2022/23 and 2023/24. In 2022/23 the Government agreed a pay increase of £1,900 per annum for all police officers and staff. However, the Government grant only provided funding for half of the officer increase and none of the staff increase. This created a funding deficit of £4.8 million in 2023/24 rising by £300k year-on-year thereafter.

The pay award in 2023/24 was also not fully funded by the Government. The grant towards the centrally set 7% pay rise only covered 77% of the actual cost for both Police Officers and Staff. This leaves a further shortfall of £2.3 million in 2024/25 which will continue to rise by more than £400k year-on-year over the period of the Medium Term Financial Plan. Therefore, the total shortfall in pay award grant funding is £7.1m in 2024/25 and undermines the medium term sustainability of police officer, PCSO and Staff numbers.

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External factors such as the increase in demand and complexity, additional national requirements linked with accreditation and a 10% growth in population confirmed by the latest census have also had an impact on the Force's financial position.

We would ask you to consider a review of the funding formula for Police Forces. Whilst it has been recognised that the funding formula needs review, given that 18 of the 43 Police Forces in England and Wales, Leicestershire Police included, do not receive enough grant to meet their payroll costs, we are concerned that little progress has been made. Until the formula is reviewed, Leicestershire Police will have to continue making disproportionate savings and reducing capability compared to some other Forces.

In addition, we would ask you to look at the Council Tax Referendum Limit. From 2012-13, the Secretary of State is required to set principles annually, determining what increase is deemed excessive. The Home Office has confirmed that to maximise council tax income for 2024-25, Police and Crime Commissioners can increase their precept on a Band D property by up to £13.00 without triggering a referendum.

The uncertainty for the following years makes budgeting for the future impossible and therefore limits the ability of Police and Crime Commissioners to have any scope to assist their Chief Constables on the future funding available to police their area.

Leicester, Leicestershire, and Rutland Police and Crime Commissioner has had to budget forecast £13 each year thereafter in line with the prevailing national view, and modelling assumptions in each of the other East Midlands region Force areas.

This has made budgeting in this current climate very restricting.

We urge you to request the Secretary of State to provide multi-year funding precept limits to Police and Crime Commissioners going forward, so they have more ability to produce robust budgeting plans based on evidence year on year.

Yours Sincerely,



Cllr Deborah Taylor  
Chair of Leicester, Leicestershire, and Rutland Police and Crime Panel

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