

Leicester Leicestershire and Rutland

Police and Crime Panel

19 February 2025

The Rt Hon Diana Johnson DBE MP
House of Commons,
London,
SW1A 0AA

Copied to The Right Honourable Yvette Cooper MP, Home Secretary

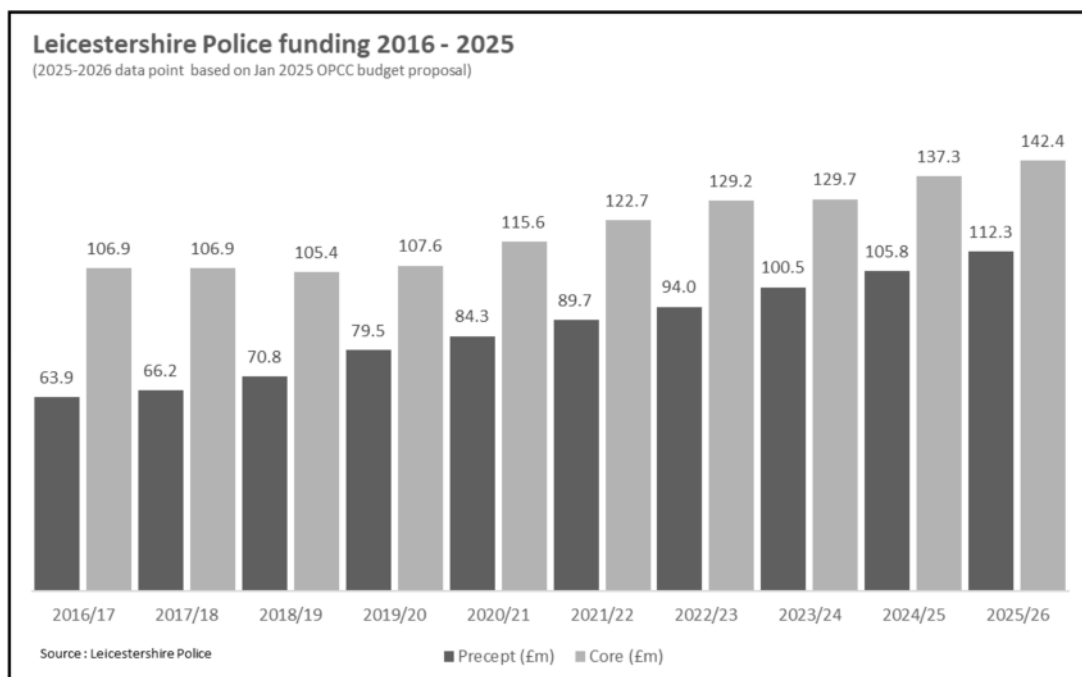
Dear Minister,

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. I also wrote to the previous minister responsible for Policing, Chris Philp MP, on 23 February 2024 to raise these concerns.

I understand that you have recently met with the Police and Crime Commissioner for Leicester, Leicestershire and Rutland, Rupert Matthews, and that he raised concerns relating to inequity in Police Funding and the challenges which this presents to the Leicestershire Police in delivering policing requirements.

You will see from *Chart 1* (below) what has happened to Core Grant Funding and the locally raised precept since 2016/17. It shows the actual cash grant received each year and does not consider the real terms reduction in funding.

Chart One - Leicestershire Police Funding 2016-2025



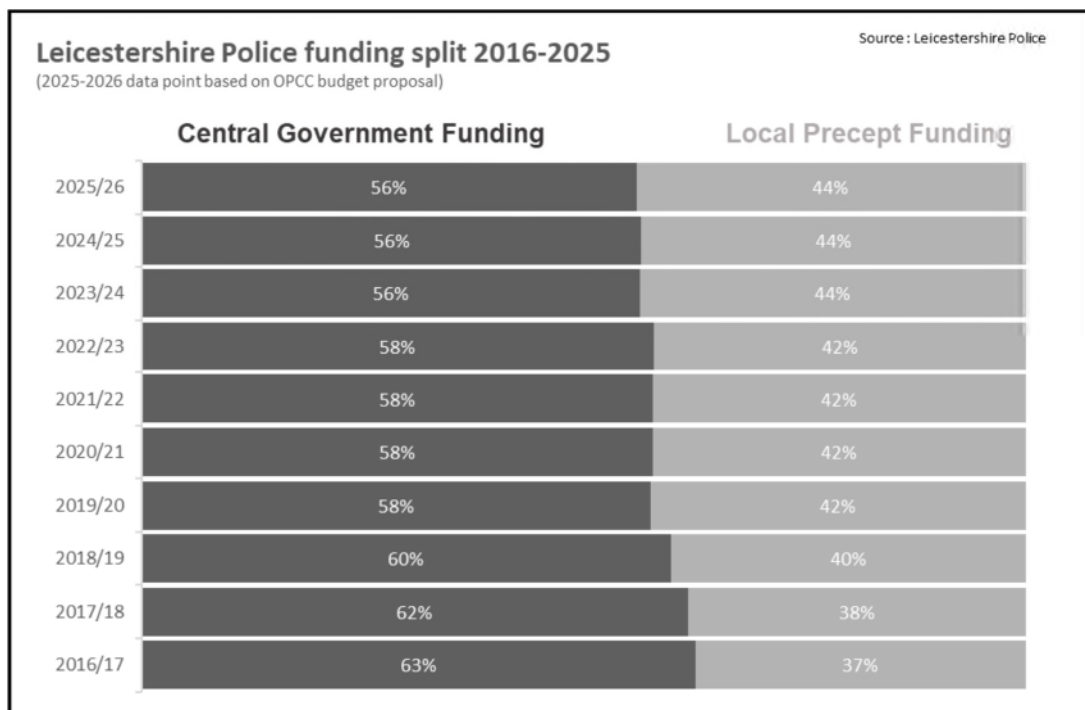
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The Chart shows that the funding raised locally has increased significantly over the same period. In 2016-17 £63.9m was raised directly from residents of the area (and related grants) and for 2025-26 this will increase to £112.3m. An increase of £48.4m or 75.7% over the period. Funding has not kept pace with real terms cost increases resulting in budget deficits and a shrinking Force.

Chart Two (below) shows how the total funding has moved between Core Grant and Precept Funding since 2016-17. It shows that in 2016-17 63% of the funding came from Core Grant with the balance of 37% coming from the local precept. For 2025-26 this has moved significantly to show that 56% of the total funding will come from Core Grant and that 44% of funding now comes directly from the local taxpayer (and related grants).

Chart Two - Leicestershire Police Funding Split 2016-2025



Leicestershire Police currently receives approximately £204 per head of population which is lower than the national average. Leicestershire Police funding per head of the population is the 12th lowest in the country. In terms of income per head of population, it receives approximately £241 which is lower than the national average. Leicestershire Police income per head of the population is the 7th lowest in the country.

Whilst the Panel welcomes the increase in the Government Grant for Policing by 4.8%, the outdated and inequitable police funding formula means that this will not cover costs for 2025-26. Increasing the precept has been necessary in order to sustain good policing. However, the increase will simply sustain and manage existing commitments against growing demand and not provide additionality to policing requirements.



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The Panel are concerned that both the employer's national insurance cost increase and subsequent pay awards have been underfunded by government as this only contributes to budgetary pressures. External factors such as increase in demand and complexity, additional national requirements and a 10% growth in population confirmed by the latest census have also had an impact on the Force's financial position.

Leicestershire Police has worked hard to overcome the budget deficit in 2024/25 and found another £5.4 million of cash efficiency savings into 2025/26.

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.

The policing budget remains a one-year settlement, with a government commitment to provide more certainty in the future following the national spending review. The reality is, as in previous years, Leicestershire Police is underfunded and has a further budget deficit to overcome. The anticipated budget deficit for 2025/26 is £9.3m. The Government has indicated that it will be undertaking Phase 2 of its Spending Review in Spring 2025, and we urge you to consider Leicester Police's long-term funding as part of this Review. The Government had indicated that it would deliver multi-year funding settlements for policing. We urge you to ensure that these multi-year funding settlements are implemented.

In November last year, the Government announced major reforms to policing and the Panel is of the view that the concerns which I have highlighted should be considered as an urgent priority within these reforms. The proposed reforms have promised to restore community patrols with a Neighbourhood Policing Guarantee and an enhanced role for Police and Crime Commissioners to prevent crime and it is essential that adequate funding is in place in order to deliver this promise to our residents.

Yours Sincerely,



Cllr Deborah Taylor

Chair of Leicester, Leicestershire, and Rutland Police and Crime Panel

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