

For Information / Consideration	
Public/Non Public*	Public
Report to:	Police & Crime Panel
Date of Meeting:	7th September 2015
Report of:	The Commissioner
Report Author:	Chief Finance officer
Other Contacts:	
Agenda Item:	8

Comprehensive Spending Review (CSR) and Funding Formula Review

1. Purpose of the Report

- 1.1 To inform Members of current work at a national level, which will affect the funding for Nottinghamshire Police.

2. Recommendations

- 2.1 Members are requested to:
- Consider the reports and responses as attached as the appendices to this report.
 - Consider making a Panel response in relation to the consultation documents.
 - Provide the Commissioner with any feedback that they would like the Commissioner to consider in his response to the consultation.

3. Reasons for Recommendations

- 3.1 This complies with good governance principles.

4. Summary of Key Points

CSR 2015

- 4.1 In November, the Government will announce its financial plans for the next CSR (Comprehensive Spending Review) period. It is not anticipated that the current economic pressures on public services will ease and further cuts will be made to the grant for policing.
- 4.2 Currently, central departments have been asked to work on potential real cuts of 25% and 40%. In the case of the Home Office (HO) 75% of its funding is spent on policing and therefore we can expect cuts similar to what the HO actually incur.

FUNDING FORMULA REVIEW 2015

- 4.3 At the same time we are being asked to consider changes to what is now an out of date funding formula, which was never fully implemented. This meant that the additional funding which the formula recognised Nottinghamshire was allocated was never received.
- 4.4 The new formula will be simpler and should have a phased implementation to ensure that it is fully implemented and forces are funded appropriately.
- 4.5 It is evident that the new formula could affect some forces by up to 20% + or - their current funding allocation at the same time as having to consider total funding cuts of 25% (and 40%). This could lead to significant difficulties for those forces losing under the new allocation.

5. Financial Implications and Budget Provision

- 5.1 In relation to the CSR, Nottinghamshire within its MTFP had been planning on 5.1% reductions in grant over the next 5 years and this is broadly in line with the 25% now being considered.
- 5.2 If a 40% cut is made to the grant funding then the financial viability of the Nottinghamshire force is seriously unstable.
- 5.3 In relation to the funding formula, currently, the financial allocations for Nottinghamshire are unconfirmed. If a protection is given to forces such as the Metropolitan Police then Nottinghamshire's allocation is expected to be broadly in line with where it sits under the current formula (i.e. underfunded, but not by as much under the existing formula). Further protections and top slicing will impact on this assumption.

6. Human Resources Implications

- 6.1 None as a direct result of this report. However, the proposed plans for the CSR would have an adverse effect on all officers and staff within the organisation.

7. Equality Implications

- 7.1 None as a direct result of this report.

8. Risk Management

- 8.1 This is the most significant Risk on the strategic risk register of the Commissioner and the Force. It is also a risk that is not within our ability to control. Mitigation through collaboration and downsizing has been underway for years now and is becoming more difficult to achieve.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 None as a direct result of this report.

10. Changes in Legislation or other Legal Considerations

10.1 None

11. Details of outcome of consultation

11.1 Attached are the consultation documents in relation to the CSR and the Funding Formula. We have also included the draft response from the APCC on the CSR and the work of PACCTs in trying to ascertain what the funding formula would mean to individual forces. This latter document is only indicative as the Metropolitan Police could not sustain such levels of cuts.

12. Appendices

- 12.1
- A – Consultation on the CSR
 - B – Draft submission from the APCC on the CSR
 - C – Consultation on the Funding Formula
 - D – PACCTs basic analysis on allocations of funding formula grant