

Rt Hon. Meg Hillier MP
Chair, Public Accounts Committee
House of Commons
London
SW1A 0AA

By email

2 February 2021

Dear Chair,

RE: Police funding in 2021-22

Thank you for your letter of 4 January 2021 on the provisional police funding settlement and how it relates to the 2020 Spending Review.

As set out in the [Written Ministerial Statement](#) made by the Minister for Crime and Policing alongside the provisional Police Grant Report (England and Wales) 2021/22, and confirmed in the 4 February final police funding settlement, funding for the overall policing system will total up to £15.8 billion in 2021/22. This is an increase of up to £636 million on the 2020/21 funding settlement. The overall policing system comprises direct funding to police forces through Police and Crime Commissioners (PCCs), Home Office reallocations for national policing priorities, and counter terrorism funding. Within this settlement, the funding available to PCCs (a combination of Government grants and local council tax precept), will increase by up to £703 million, assuming a full take-up of increased precept referendum limits.

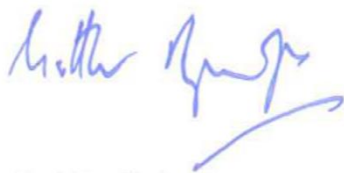
The figure in the 2020 Spending Review of £720 million included up to £320 million that could be raised from a £15 council tax referendum limit, which was based on the forecasts available at the time. The provisional police settlement published in December announced £703 million additional funding for PCCs. This figure is made up of £415 million additional grant funding for the recruitment of 20,000 extra police officers and up to £288 million that could be raised from a £15 council tax referendum limit based on more recent forecasts. However, additional funding for PCCs was announced by MHCLG as part of the Local Government Finance Settlement 21/22. This will see PCCs receive funding in addition to that documented in the police settlement 21/22, to support the forecast reduction in tax base and the deficit in 20/21 resulting from the pandemic.

The above figures do not include additional funding provided in-year for COVID-19. Additional funding includes the £30 million COVID surge funding provided to step up compliance and enforcement of coronavirus rules, the reimbursement of all personal protective equipment purchased between 27 February and 27 July 2020 (totalling £62.6 million), and the Income Loss Recovery Scheme (ILRS) which allows PCCs to recover a proportion of their lost income from sales, fees and charges throughout the financial year. So far, we have reimbursed £22.1 million of funding under the ILRS (April-July). In total, police forces have received £114.7 million so far this financial year from the Home Office to support them in the response to COVID.

I hope this answers the questions you raised.

Yours sincerely,

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A handwritten signature in blue ink, appearing to read 'Matthew Rycroft', with a long horizontal flourish underneath.

Matthew Rycroft
Permanent Secretary