

**Spending Review 2015**

25 November 2015

**Introduction**

On 25 November 2015 the Chancellor of the Exchequer, George Osborne MP, announced the outcome of the [Spending Review 2015](#). The Spending Review (SR2015) details spending settlements for each government department over the next four years (2016-17 to 2019-20). The SR2015 documents set out the announcements in more detail.

In his speech, the Chancellor addressed police funding and said: "*now is not the time for further police cuts, now is the time to back our police and give them the tools to do the job.*"

This briefing outlines the background and summarises the key SR2015 announcements for police.

Overall police funding, including funding for Counter Terrorism, has been cut by 1.3% in real terms over four years. In a letter to PCCs and Chief Constables the Home Secretary and Policing Minister say that "taking into account the scope that you have to raise local council tax, this means a flat real settlement for policing as a whole."

The Spending Review document added that police force budgets will be maintained at current cash levels [ref 1.81]. However a number of topslices are expected to fund additional schemes outlined by the Chancellor and detailed below.

Further detail from the Home Office is expected in the next few days.

However, how this will affect individual settlements will not become clear until the provisional police funding settlement for 2016-17, expected on 17 December.

Please find below a table setting out Home Office revenue and capital spending totals. Unlike previous years the Home Office spending totals contained in the Spending Review do not separate police funding. At this stage it is therefore not possible to set out the profile of the year on year changes.

Home Office	£ billion					Real growth
	2015-16	2016-17	2017-18	2018-19	2019-20	
Resource DEL (exc depreciation)	10.3	10.7	10.6	10.6	10.6	-4.80%
Capital DEL	0.4	0.5	0.5	0.4	0.4	-
<b>Total Managed Expenditure</b>	<b>10.7</b>	<b>11.2</b>	<b>11.1</b>	<b>11.0</b>	<b>11.0</b>	

As part of the announcement, the Chancellor also delivered the Autumn Statement 2015, alongside the Office for Budget Responsibility's Economic and Fiscal Outlook; a separate briefing summarises the main Autumn Statement announcements on economic forecasts, tax and welfare.

**Background**

In July 2015 the Chancellor [announced](#) the Spending Review would be published in November and would set out how the Government would deliver £20bn of savings from departmental budgets in order to eliminate the deficit by 2019-20. As part of the announcement, HM Treasury [published](#) a

framework document, outlining the Government's priorities for the Spending Review and the principles which would underpin its decisions. Departments were initially asked to model 25% and 40% savings within their resource (revenue) budgets by 2019-20 in real terms. In September 2015 the Chancellor [announced](#) that the Office for Budget Responsibility would publish its forecast alongside the Spending Review. Consequently a joint Autumn Statement and Spending Review were published.

### **Key Headlines**

The main announcements from the Spending Review which have an impact on police are summarised below. References to the relevant paragraphs in the SR2015 document are indicated in brackets.

### **POLICE**

- £1bn will be invested in new mobile digital technology through the Emergency Services Mobile Communications Programme. [ref 1.83]
- Police efficiency will be improved by taking steps to drive down the cost of police procurement by up to £350 million and encouraging greater collaboration between police forces and with other public and emergency services. [ref 1.83]
- Additional transformational funding will be allocated to forces which have "strong proposals to support efficiency and reform and to help transition to new funding arrangements in future". This funding will also allow forces to train more firearms officers to ensure the country extends its capability to protect its citizens from terrorist threats. [ref 1.81]
- The provisional police settlement, outlining allocations for individual force areas is expected to be announced on 17 December.

### **HOME OFFICE**

- The Home Office administration budget will be reduced by 30% between 2015-16 and 2019-20. [ref 2.15]
- The National Crime Agency's budget will be protected. [ref 1.81]
- Over £200m of capital investment to fund new digital and investigative capabilities for the National Crime Agency. [ref 1.84]

### **COUNTER-TERRORISM**

- Counter terrorism funding will be increased by £500m, equivalent to a 30% rise. [ref 1.75 and 2.7]
- The number of police armed response vehicles available to respond rapidly to critical incidents will be increased by up to 50% and new funding will be made available to increase the number of specialist counter terrorism fire arms officers and to train existing officers.

### **COUNCIL TAX**

- In England it is the intention that the overall referendum limit for police precept will be maintained at 2% over the Spending Review period.
- Additional flexibility will be made available for the ten PCCs in England with the lowest precept levels each year (lower quartile), so that they can raise their precept by up to £5 per year over the Spending Review period.
- All other PCCs can expect to be subject to the usual 2% referendum limit.

## REACTION

- Paddy Tipping, chair of the Association of Police and Crime Commissioners finance group said: *"We praise the government that during this difficult time they have taken the decision to not cut the police budget. We continue to be committed to innovation and reform to provide a secure service to the public who value neighbourhood policing. We will be working together and with the government to continue to invest in new technology; reduce back off costs and share resources where possible"*.
- The Institute for Fiscal Studies (IFS) will hold a briefing on the Spending Review at lunchtime 26 November; analysis and slides will be available on their [website](#).