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Commissioner for Surrey

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Rt. Hon George Osborne MP
Chancellor of the Exchequer
HM Treasury

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Via Email

30th November 2012

Dear Chancellor,

Police funding

It would be a dereliction of my duty as the elected representative of the Surrey public with regards to policing and crime were I not to address the recent public statements of my counterpart in the West Midlands on the subject of police funding.

As Chancellor you will be well aware that the South East is a minority in this country - a region that makes a net contribution to the public finances. Within that, Surrey is the biggest contributor.

In the broader context of public spending, Surrey taxpayers are effectively subsidising policing and other public services in the West Midlands which, like a number of areas in England & Wales, receives more funding for its public services than it returns in taxation to the Exchequer. I therefore reject entirely Mr Jones' attempts to characterise Surrey as a 'beneficiary' of the current police funding arrangements.

In truth, in his letter of 26th November, Mr Jones acknowledges that *the police funding formula has historically worked in favour of the West Midlands* in comparison to Surrey. Today 87% of the West Midlands Police budget now comes from the Government, compared to just 53% in Surrey. Surrey people, who as I have mentioned already provide more in tax revenues to this country than residents of any other county, have to

make up this shortfall by paying yet more tax – this time through their local rates - for policing. If we were to characterise any implication of the police funding arrangements as unfair, that would surely be it.

It is plainly unreasonable that, thanks to the funding formula, the West Midlands should enjoy significantly bigger budget increases than Surrey during the times of plenty and then demand that Surrey take a bigger share of cuts when exactly the same police funding formula is put into reverse in leaner times. Mr Jones cannot have it both ways on this issue.

Frankly, it is disappointing that Surrey has been singled out at all by this campaign. Ultimately, only Mr Jones can account for his motivations in doing so, but at a time where every police force area is dealing with a significant reduction in funding, it is an unhelpful distraction from what should be a common goal – to provide safer communities for the people we have been elected to represent in challenging times for the police service and for public services as a whole.

The future of the police funding formula

I firmly believe a comprehensive review of the police funding formula is the only long-term solution to the issues raised in this letter. Until this has been conducted, the floors and ceilings which protect forces like Surrey - which lose out significantly as a result of a formula so badly flawed that successive governments have refused to allow it to be implemented in full - must stay in place.

We know that the true costs of policing Surrey are not reflected in the funding formula, which takes no account of our proximity to London and other major urban areas, the two major international airports on our borders or high volume of commuters travelling into, out of and through our county each day.

If damping were to be removed, Surrey would lose approximately £3.2 million of its funding, in addition to the overall reductions that Government is making to the funding of the police service in total (of which Surrey is taking its proportionate share).

Furthermore, the end of specific grant funding for the police service and subsequent transfer of funding streams from other agencies to Police and Crime Commissioners - with the intention of eventually allocating this funding via the police funding formula – would mean that a further £1 million of police and community safety funding could also be reallocated from Surrey to elsewhere.

To put these figures in context, the loss of £4 million pounds from our funding would equate to a reduction of 83 Police Constables.

I do not need to labour the point that such an arbitrary reduction would be a heavy blow to policing and community safety in Surrey.

I am keen that Surrey does more than simply rattle its cage on this issue and I have set out my expectation that we play a constructive role in any review of police funding arrangements. Surrey Police commissioned research in 2009 from Oxford Economics which put forward workable amendments that would make the formula a more effective and equitable means of distributing police funding. This seems to me to be an ideal starting point for any national review and we would of course be very happy to discuss these findings and their implications for policing with colleagues in HM Treasury and the Home Office in the near future.

Yours sincerely,

A handwritten signature in blue ink that reads "Kevin Hurley". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kevin Hurley
Police and Crime Commissioner for Surrey

CC: The Home Secretary

The Minister of State for Policing

Surrey Members of Parliament

Chair of the Surrey Police and Crime Panel