



SCOTTISH EXECUTIVE

Justice Department
Police Division

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Identity No: Police Circular No:6/2007

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Title: THE POLICE GRANT (SCOTLAND) ORDER 2007

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Addressed to: Chief Constables
Chief Executives
Dumfries & Galloway Council
Fife Council
Clerks to the Joint Police Boards

Date: 20 June 2007

Dates:

Topic: Finance - Police Grant

Issued: 20/06/07

Implementation: 1 April 2007

Impact: This Circular Supersedes Police Circular No: 3/2006

Contact(s) for more information:

Ann Tocher (0131 244 2148)

Dear Colleague

Purpose of the circular: To inform Chief Constables of the commencement of The Police Grant (Scotland) Order 2007 on 1 April 2007.

Summary of contents: A copy of the Police Grant (Scotland) Order 2007 and accompanying Report is attached. This Order determines the amount of police grant payable in 2007-08.

Yours sincerely

Ann Tocher



The Police Grant (Scotland) Order 2007

1. This Order sets the amount of police grant payable to each authority or board for 2007-08. These amounts are related to budgets together with 100% grants for officers based in forces engaged in dedicated drugs duties. From 1 April 2007 the costs of forces seconding officers to the SCDEA are the responsibility of the Scottish Police Services Authority (SPSA). Similarly the costs of the SCDEA- OIG is now funded directly by the SPSA so from 2007-08 there are no adjustments for the recovery of expenditure for common police services.
2. The Department will make payments of police grant in 12 instalments amounting to 97.5% of the estimate of police grant based on the budget set by each authority or joint board. The 2.5% retention for 2006-07 will be re-determined in a Police Grant (Variation) (Scotland) Order, once all the audited PG1s are received.
3. Amounts of grant for 2007-08 can be varied if outturn expenditure is different from forecast, but grant will not be paid above the cash limit.
4. The accompanying Report states the considerations Scottish Ministers took into account in determining the amounts of police grant set out in the Order.
5. The Report sets out the cash limit for each authority, the calculation of amounts of grant in the Order and the distribution of Grant Aided Expenditure among authorities.

Police Division 1

June 2007

2007 No. 109

POLICE

The Police Grant (Scotland) Order 2007

Made - - - - - 20th February 2007

Laid before the Scottish Parliament 26th February 2007

Coming into force - - - 1st April 2007

The Scottish Ministers, in exercise of the powers conferred by section 32(3) and (5) of the Police (Scotland) Act 1967⁽¹⁾ and of all other powers enabling them in that behalf, hereby make the following Order:

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Police Grant (Scotland) Order 2007 and shall come into force on 1st April 2007.

(2) In this Order—

“authority” means a police authority (not being a constituent authority) or a joint police board;

“financial year 2007-2008” means the period of 12 months commencing on 1st April 2007; and

“police grant” means the grant made under section 32(1) of the Police (Scotland) Act 1967.

Aggregate amounts of grants for financial year 2007-2008

2. The aggregate amount of police grant to be made for the financial year 2007-2008 shall be £551,047,000.

Amount of grant to an authority for financial year 2007-2008

3. The amount of police grant to be made for the financial year 2007-2008 to each authority specified in column 1 of the Table below shall be the amount determined in relation to that authority which is set out in column 2 of that Table opposite to the name of the authority.

<i>(1)</i> <i>Authority</i>	<i>(2)</i> <i>Amount of Grant</i>
Central Scotland Joint Police Board	£26,178,000
The Dumfries and Galloway Council	£15,325,000
The Fife Council	£33,101,000
Grampian Joint Police Board	£50,488,000
Lothian and Borders Joint Police Board	£97,689,000
Northern Joint Police Board	£28,773,000
Strathclyde Joint Police Board	£257,973,000
Tayside Joint Police Board	£41,520,000

(1) 1967 c.77; section 32 was substituted by the Crime and Punishment (Scotland) Act 1997 (c.48), section 45(1) and amended by the Scotland Act 1998 (Consequential Modifications) (No. 2) Order 1999 (S.I. 1999/1820), Schedule 2, paragraph 41(2). The functions of the Secretary of State were transferred to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 (c.46).

Payment of grant

4. The police grant payable to an authority by virtue of this Order for the financial year 2007-2008 shall be paid to that authority in monthly instalments on the fifteenth day of each month during that year.

St Andrew's House,
Edinburgh
20th February 2007

CATHY JAMIESON
A member of the Scottish Executive

EXPLANATORY NOTE

(This note is not part of the Order)

This Order determines–

- (a) the aggregate amount of grants to be made under section 32(1) of the Police (Scotland) Act 1967 out of money from the Scottish Consolidated Fund for police purposes to all police authorities and joint police boards for the financial year 2007-2008 (article 2); and
- (b) the amount of such grants to be made to each police authority or joint police board (article 3).

The Order also sets out how and when the grant is payable (article 4).



Scottish Executive
Police Grant (Scotland)

THE POLICE GRANT (SCOTLAND) ORDER 2007

Report by the Scottish Ministers under section 32(6) of the Police (Scotland) Act 1967

Laid before the Scottish Parliament by the Scottish Ministers March 2007
THE POLICE GRANT (SCOTLAND) ORDER 2007

Police circular PG Order 2003.doc



1. Introduction

1.1 In accordance with section 32 of the Police (Scotland) Act ('the 1967 Act') as substituted by section 45(1) of the Crime and Punishment (Scotland) Act 1997 ('the 1997 Act'), the Scottish Ministers have made the Police Grant (Scotland) Order 2007 ('the 2007 Order'). This Order determines the aggregate amount of police grant to be made to police authorities (not being constituent authorities) and joint police boards ('authorities') for the financial year 2007-08 and the amount of such grant payable to each such authority.

1.2 The 2007 Order is laid before the Scottish Parliament in accordance with section 32(8) of the 1967 Act (as read with section 118 of the Scotland Act 1998 ('the 1998 Act')), which provides that the Order is subject to negative resolution procedure.

1.3 This Report is prepared under section 32(6) of the 1967 Act. It states the considerations which Scottish Ministers took into account in making the determinations, which are contained in the 2007 Order. This report is laid before the Scottish Parliament in accordance with section 32(9) of the 1967 Act (as read with section 121(2) of the 1998 Act) at the same time as the 2007 Order is laid.

2. Police Grant Aided Expenditure (GAE) and process of calculating grant at 51%

2.1 Police Grant Aided Expenditure (GAE) is an estimate of the expenditure required by police forces to provide the required levels of service. Police authorities set the budgets for their respective forces and those budgets may be set at, above or below GAE.

2.2 Subject to the matters mentioned in paragraph 6, Scottish Ministers pay police grant of 51% of the net eligible expenditure incurred by forces up to the GAE total. The constituent local authorities provide the balance. If net expenditure exceeds GAE the constituent local authorities meet in full the costs incurred over and above GAE. If net expenditure is less than GAE the unspent portion of police grant remains unclaimed.

2.3 Distribution of GAE among authorities is shown in column A of Appendix A. The cash limit of police grant payable to each authority for 2007-08 is shown in column G of Appendix A and is calculated as follows:

2.3.1 97.5% of GAE for payments on account in respect of 2007-08 is calculated (shown in column B) (a 2.5% retention amount is held back each year);

2.3.2 51% of that figure is then calculated (shown in column C);

2.3.3 the 2.5% retention amount deducted from the prior year calculation (shown in column D) is added and this total is known as net grant;

2.3.4 funding for 100 officers in forces on dedicated drugs duties (shown in column F).

2.4 The resulting cash limit figures for police grant are shown in column G of Appendix A. Grant payable on loan charges is excluded.

3. Development of a National Forensic Science Service

3.1 Until 2006-07 police forensic science was the responsibility of individual police forces provided at laboratories within Lothian and Borders, Grampian, Strathclyde and Tayside police

forces. Police forces without their own forensic laboratories had arrangements in place for services to be provided at one of the laboratories listed above. Police forces paid for forensic services out of their general Police GAE.

3.2 Section 3(2)(f) of the Police, Public Order and Criminal Justice (Scotland) Act 2006 places a duty on the Scottish Police Services Authority (“SPSA”) to develop and provide a national forensic science service.

3.3 From 1 April 2007, funding for police forensic science services will therefore be provided by the Scottish Executive through Grant-In-Aid to the SPSA. In total £21,564,000 has been deducted from Police GAE, apportioned between the police authorities, following consultation with ACPOS, as shown in the following table. The consequential amount of the reduction in police grant due to each police authority will be transferred to the SPSA. Similarly the balance which would have been met by constituent local authorities will also become the responsibility of the SPSA. The Local Government Finance (Scotland) Order 2007 will be re-determined in 2007-08 to take these changes into account.

	Indicative Police GAE 2007-08	Less Transfer of Forensics to the SPSA	Revised Police GAE 2007-08
Central Scotland	£51,901,000	£693,000	£51,208,000
Dumfries and Galloway	£30,480,000	£527,000	£29,953,000
Fife	£65,828,000	£1,032,000	£64,796,000
Grampian	£101,925,000	£3,113,000	£98,812,000
Lothian and Borders	£195,240,000	£4,260,000	£190,980,000
Northern	£57,361,000	£1,072,000	£56,289,000
Strathclyde	£513,471,000	£9,288,000	£504,183,000
Tayside	£82,726,000	£1,579,000	£81,147,000
Total	£1,098,932,000	£21,564,000	£1,077,368,000

3.4 In distributing the revised Police GAE for 2007-08 Scottish Ministers also took account of forces’ best estimates of the costs they will incur in the forthcoming year in respect of pensions; Airwave; levels of core GAE for each authority in 2006-07; and final recommendations from the Police GAE Working Group for additional increases for some forces. See paragraph 11 below.

4. Determination of Aggregate Amount of Police Grant

4.1 The aggregate amount of police grant, which Scottish Ministers have determined should be made for the financial year 2007-08, is **£551,047,000** (see Appendix A), as set out in article 2 of the 2007 Order.

4.2 In determining the aggregate amount of the police grant, Scottish Ministers aggregated the amounts determined to be made to each authority in the Order.

5. Determination of Police Grant to each Authority

5.1 The amount of police grant, which is determined to be made for the financial year 2007-08 to each authority, is set out in article 3 of the 2007 Order.

5.2 The amount of police grant determined for each authority for the financial year 2007-08 was determined as being in accordance with the table at Appendix A. The amount of grant comprises 51% GAE grant calculated as described below and funding for additional officers in forces dedicated to drugs issues, a breakdown of which is shown at paragraph 6 below.

5.3 The amount of expenditure forecast for each police force, other than expenditure on loan charges (which is excluded by virtue of section 32(4) of the 1967 Act), is shown at column A. Column B shows the amount of forecast expenditure after deduction of a 2.5% retention. Column C shows 51% of the figure shown in column B. Column D shows a retention from the previous financial year, based on the forecast expenditure for that year. Net grant for financial year 2007-08 is calculated by adding the figure in column C to the figure in column D. Net grant is shown in column E. The funding for 100 officers on dedicated drugs duties (shown at column F) for each authority is added to these figures. The resultant totals, shown at column G, represent the Total Police Grant determined to be made to each police authority.

5.4 Audited accounts for the financial year 2006-07 will be received during 2007-08. Upon receipts of those audited accounts, the figures shown in column D will be substituted with figures representing actual expenditure for the financial year 2006-07. Net Grant and Total Police Grant payable for 2007-08 will be recalculated using those audited figures. Scottish Ministers will then make an Order to vary the amount of Police Grant payable in respect of financial year 2007-08 and payments to police forces will be adjusted accordingly.

6. Officers Engaged in Dedicated Drugs Duties

6.1 In addition to Net Grant, £2 million will be paid towards the cost of 100 officers who are based in forces and engaged in dedicated drugs duties. This payment is made on a 100% grant basis, and no part of it is recoverable. The amount due to each authority in 2007-08 is set out in the following table.

Force	Payment Due for 100 Officers Based in Forces
Central Scotland	£100,000
Dumfries and Galloway	£60,000
Fife	£120,000
Grampian	£160,000
Lothian and Borders	£360,000
Northern	£100,000
Strathclyde	£940,000
Tayside	£160,000
Total	£2,000,000

6.2 The total amount due to each force is shown in Appendix A, Column F. This has the effect of increasing the total grant payment due to each shown in column G of Appendix A and the figures appear in article 3 of the Order.

7. Funding for Officers Seconded to the Scottish Drug Enforcement Agency

7.1 Until 2006-07 police authorities were given an additional amount of grant amounting to the estimate of the costs of forces seconding officers to the Scottish Drug Enforcement Agency – Operational and Intelligence Group (SDEA – OIG). Deducted from that were individual police authority’s shares (50%) based on the Common Police Services formula. (Under the CPS formula, costs were apportioned to the individual police authorities and joint police boards in accordance with the annual number of recorded crimes and offences in each police authority area).

7.2 Section 10 of the Police, Public Order and Criminal Justice (Scotland) Act 2006 simplifies this process in that from 1 April 2007 all funding for the new Scottish Crime and Drug Enforcement Agency (SCDEA) will be provided directly by Scottish Ministers. Under these new arrangements, police authorities will not be required to make a contribution towards the funding of the SCDEA.

8. Common Police Services

8.1 Until 2006-07 each authority’s share of that part of Scottish Minister’s expenditure on common police services which was recovered under section 36(3) of the 1967 Act was deducted from police grant payable to the authority under section 32 of the 1967 Act. Scottish Ministers were empowered to do this by virtue of section 36(5) of the 1967 Act. In 2006-07 the amount payable by authorities in respect of their share of the expenditure on common police services consisted of non-staff costs of the SDEA – OIG. Under the new funding arrangements for the SCDEA, as described at paragraph 7.2, police authorities will no longer be required to make a contribution towards these costs.

9. Proposed Re-determination

9.1 Scottish Ministers propose that, when they receive the audited accounts of each authority’s actual expenditure for police purposes for 2006-07, they will re-determine the aggregate amount of police grant to be made for financial year 2007-08.

9.2 It is proposed that the amount of police grant to be paid to each authority for the financial year 2007-08 should not exceed the cash limit applicable to that authority (as shown at paragraph 11) as a result of this re-determination.

10. GAE Cash Limits

10.1 The GAE cash limit applicable to each authority is set out in the following table:-

Force	Cash Limit
Central Scotland Joint Police Board	£26,178,000
Dumfries and Galloway Council	£15,325,000
Fife Council	£33,101,000
Grampian Joint Police Board	£50,488,000
Lothian and Borders Joint Police Board	£97,689,000
Northern Joint Police Board	£28,773,000
Strathclyde Joint Police Board	£257,973,000
Tayside Joint Police Board	£41,520,000

10.2 The cash limits have been determined by Scottish Ministers apportioning to each authority part of **£1,077,368,000**, which Scottish Ministers have estimated to be the aggregate amount of GAE for police purposes for the financial year 2007-08.

10.3 The calculations of the figures in the above table are shown in Appendix A.

10.4 The figures shown in Appendix A, column A, are the amounts determined by Scottish Ministers, as GAE. Police grant will be paid up to the amount determined and shown in column G in Appendix A.

11. Distribution of Grant Aided Expenditure

11.1 For 2007-08, the apportionment between police authorities of the aggregate amount of GAE was calculated, by agreement with the Association of Chief Police Officers in Scotland (ACPOS) and the Convention of Scottish Local Authorities (COSLA), on the basis of final recommendations from the Police GAE Working Group. The apportionment was carried out as follows:

11.2 The component for **pensions and commuted sums (£186,816,000)** was apportioned to forces on the basis of forces' estimates, approved by ACPOS, of their requirements in 2007-08.

11.3 A component for **Airwave (£542,000)** was apportioned to authorities by agreement with ACPOS.

11.4 A component for **Accelerated Recruitment (£3,000,000)** was also apportioned to authorities by agreement with ACPOS.

11.5 The remainder was regarded as core **GAE (£887,010,000)**. £7,000,000 of this total was allocated to those authorities which the Police GAE Working Group recommended should receive a higher share of police GAE.

Scottish Executive Justice Department
Police Division 1
February 2007

**THE POLICE GRANT (SCOTLAND) ORDER
2007**

Appendix A

£'000

	Police GAE 2007-08	97.50%	51%	Prior Year	Net Grant	100 Officers	Total Grant (E+F)
	A	B	C	D	E	F	G
Central	51,208	49,928	25,463	615	26,078	100	26,178
Dumfries & Galloway	29,953	29,204	14,894	371	15,265	60	15,325
Fife	64,796	63,176	32,220	761	32,981	120	33,101
Grampian	98,812	96,342	49,134	1,194	50,328	160	50,488
Lothian & Borders	190,980	186,206	94,965	2,364	97,329	360	97,689
Northern	56,289	54,882	27,990	683	28,673	100	28,773
Strathclyde	504,183	491,578	250,705	6,328	257,033	940	257,973
Tayside	81,147	79,118	40,350	1,010	41,360	160	41,520
Total	1,077,368	1,050,434	535,721	13,326	549,047	2,000	551,047

An explanation of these figures and the calculation process is given in paragraphs 2-6 of the Report.