

Home Office

**DRAFT POLICE GRANT  
(ENGLAND AND WALES)**

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**THE POLICE GRANT  
REPORT  
(ENGLAND AND WALES)  
2009/10**

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LONDON: The Stationery Office

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Report by the Secretary of State for the Home Department under section 46 of the Police Act 1996

*Ordered by The House of Commons  
to be printed on xx January xxxx*

LONDON: The Stationery Office

£

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## **1. Introduction**

1.1 This Report is prepared by the Secretary of State for the Home Department ('the Home Secretary') under section 46(3) of the Police Act 1996. It is laid before the House of Commons under section 46(6) of the 1996 Act. It applies to England and Wales.

1.2 This Report sets out the Home Secretary's determination for 2009/10, made under section 46(2) of the 1996 Act, of the aggregate amount of grants for police purposes that he proposes to pay under section 46 and the amount of grant he proposes to pay each police authority<sup>1</sup> under the same section.

1.3 The Report also states the considerations which the Home Secretary took into account in making his determination.

1.4 In determining the allocation among police authorities of the whole or any part of the aggregate amount of grants, the Home Secretary may, under section 46(4) of the 1996 Act, exercise his discretion in applying such formulae or other rules as he considers appropriate. This Report sets out the formula that he proposes to apply to part of the aggregate amount of grants in 2009/10.

1.5 This Report does not cover police grant for capital purposes made under section 47(1) of the 1996 Act, police grant for the safeguarding of national security made under section 48(1) of the 1996 Act, or police grant made for any other specific purpose.

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<sup>1</sup> Including the Greater London Authority on behalf of the Metropolitan Police Authority.

## **2. Police Grant**

2.1 Pursuant to section 46(2)(a) of the 1996 Act the Home Secretary hereby determines that the aggregate amount of grants to be made under section 46 is £4,682,677,857.

### 3. Allocation of Police Grant

3.1 Pursuant to section 46(2)(b) of the 1996 Act, the Home Secretary hereby determines that the amount of grant to be paid to each police authority other than the Metropolitan Police Authority, and to the Greater London Authority on behalf of the Metropolitan Police Authority, in 2009/10<sup>2</sup> is the amount shown against its name in column (d) of the Table below.

|                                  | (a) <sup>3</sup><br>Allocation under<br>Principal Formula | (b) <sup>4</sup><br>Allocation under<br>Additional Rule 1 | (c) <sup>5</sup><br>Allocation under<br>Additional Rule 2 | (d)<br>Total amount<br>of grant<br>(a)+(b)+(c) |
|----------------------------------|---|---|---|--|
| Avon & Somerset                  | £107,970,034  |   | £4,730,072  | £112,700,106                                   |
| Bedfordshire                     | £41,364,028   |   | £1,936,772  | £43,300,800                                    |
| Cambridgeshire                   | £48,522,197   |   | £2,771,433  | £51,293,630                                    |
| Cheshire                         | £65,310,188   |   | £2,859,948  | £68,170,136                                    |
| City of London                   | £20,972,046   |   | £1,457,614  | £22,429,660                                    |
| Cleveland                        | £48,939,479   |   | £1,478,451  | £50,417,930                                    |
| Cumbria                          | £31,577,098   |   | £2,662,080  | £34,239,178                                    |
| Derbyshire                       | £65,213,723   |   | £2,566,947  | £67,780,670                                    |
| Devon & Cornwall                 | £107,814,959  |   | £5,746,687  | £113,561,646                                   |
| Dorset                           | £40,675,811   |   | £1,696,842  | £42,372,653                                    |
| Durham                           | £45,042,923   |   | £1,618,234  | £46,661,157                                    |
| Dyfed-Powys                      | £30,215,267   | £633,808  | £3,566,732  | £34,415,807                                    |
| Essex                            | £108,373,887  |   | £5,851,900  | £114,225,787                                   |
| Gloucestershire                  | £34,753,845   |   | £2,053,365  | £36,807,210                                    |
| Greater London Authority         | £1,083,629,334  |   | £54,723,201   | £1,138,352,535                                 |
| Greater Manchester               | £238,983,616  |   | £7,802,798  | £246,786,414                                   |
| Gwent                            | £44,969,057   | £942,522  | £1,456,726  | £47,368,305                                    |
| Hampshire                        | £121,850,938  |   | £5,386,640  | £127,237,578                                   |
| Hertfordshire                    | £75,202,580   |   | £3,873,196  | £79,075,776                                    |
| Humberside                       | £68,022,083   |   | £2,719,107  | £70,741,190                                    |
| Kent                             | £112,780,461  |   | £7,203,748  | £119,984,209                                   |
| Lancashire                       | £109,659,146  |   | £4,027,428  | £113,686,574                                   |
| Leicestershire                   | £66,132,020   |   | £2,501,531  | £68,633,551                                    |
| Lincolnshire                     | £39,401,671   |   | £3,268,509  | £42,670,180                                    |
| Merseyside                       | £134,323,437  |   | £4,786,895  | £139,110,332                                   |
| Norfolk                          | £50,394,120   |   | £3,599,507  | £53,993,627                                    |
| North Wales                      | £43,251,364   | £908,034  | £3,263,334  | £47,422,732                                    |
| North Yorkshire                  | £44,326,041   |   | £3,442,883  | £47,768,924                                    |
| Northamptonshire                 | £43,449,956   |   | £2,159,409  | £45,609,365                                    |
| Northumbria                      | £111,322,014  |   | £3,543,585  | £114,865,599                                   |
| Nottinghamshire                  | £78,454,321   |   | £1,994,853  | £80,449,174                                    |
| South Wales                      | £102,293,682  | -£2,484,364   | £3,007,662  | £102,816,980                                   |
| South Yorkshire                  | £104,316,858  |   | £3,180,104  | £107,496,962                                   |
| Staffordshire                    | £68,773,607   |   | £2,657,916  | £71,431,523                                    |
| Suffolk                          | £41,497,864   |   | £2,709,164  | £44,207,028                                    |
| Surrey                           | £66,131,768   |   | £3,576,270  | £69,708,038                                    |
| Sussex                           | £99,197,503   |   | £5,517,810  | £104,715,313                                   |
| Thames Valley                    | £144,627,865  |   | £8,349,716  | £152,977,581                                   |
| Warwickshire                     | £32,648,789   |   | £1,495,189  | £34,143,978                                    |
| West Mercia                      | £67,931,247   |   | £4,883,982  | £72,815,229                                    |
| West Midlands                    | £261,793,014  |   | £8,942,021  | £270,735,035                                   |
| West Yorkshire                   | £183,231,315  |   | £5,367,027  | £188,598,342                                   |
| Wiltshire                        | £38,585,059   |   | £2,314,350  | £40,899,409                                    |
| <b>Total England &amp; Wales</b> | <b>£4,473,926,215</b>                                     | <b>£0</b>   | <b>£208,751,642</b>                                       | <b>£4,682,677,857</b>                          |

<sup>2</sup> Under section 46(2) of the 1996 Act any determination may be varied by further determinations under that subsection.

<sup>3</sup> This is an amount calculated under section 5 below, except that for the Greater London Authority on behalf of the Metropolitan Police Authority it also includes the special payment referred to paragraph 4.4 of this Report.

<sup>4</sup> This is an amount calculated under section 6 below.

<sup>5</sup> This is an amount calculated under section 7 below.

## **4. Considerations taken into account**

4.1 Pursuant to section 46(3) of the 1996 Act, the considerations which the Home Secretary took into account in making his determination are as follows.

4.2 The Home Secretary considers it appropriate to allocate the aggregate amount of grant on the basis set out in paragraphs 4.3 to 4.6 below.

### **(i) Principal Formula**

4.3 The greater part of the aggregate amount of grants will be allocated on the basis of the needs-based principal formula which has been determined for the purpose and which is described in section 5 below.

### **(ii) Special Payment to the Greater London Authority on behalf of the Metropolitan Police Authority**

4.4 The Home Secretary has decided that the Greater London Authority on behalf of the Metropolitan Police Authority should receive additional funding in recognition of the Metropolitan Police's distinct national and capital city functions. He also considers that it is particularly important to maintain public confidence in policing in the capital city. It would be difficult for the principal formula to take account of these special circumstances. He has decided, therefore, that a portion of the aggregate amount of grants will be assigned to the Greater London Authority on behalf of the Metropolitan Police Authority over and above that available through the principal formula set out in section 5 below. The Home Secretary has set the amount of this special payment at £202,500,000.

### **(iii) Additional Rule 1**

4.5 The Home Secretary has decided that the grant provision under the principal formula for police authorities in Wales shall be varied to ensure that South Wales Police Authority shall receive in principal formula and local authority general grants the same increase as that applicable to police authorities in England. A sum equal to the reduction for the South Wales Police Authority will be allocated to the Dyfed Powys, Gwent and North Wales Police Authorities on the basis of additional rule 1 described in section 6 below.

### **(iv) Additional Rule 2**

4.6 The Home Secretary previously decided to amalgamate five specific grants into a single provision for each authority. The grant is assigned to each police authority over and above that available through the principal formula set out in section 5. This funding will be allocated on the basis of additional rule 2 described in section 7 below.

## 5. Principal Formula to be applied by the Home Secretary

5.1 The greater part of the amount of grant to be paid to each police authority, other than the Metropolitan Police Authority, and to the Greater London Authority on behalf of the Metropolitan Police Authority, is calculated in accordance with the principal needs-based formula shown in paragraph 5.5 below.

5.2 The main determinant in the principal formula is the projected resident population. Cost adjustments are built into this formula for the socio-economic and other characteristics of police force areas and for differences in the costs of provision between areas.

5.3 The formula is generally specified in terms of the sum of a series of ‘amounts’ multiplied by ‘indicators’. A full description of each indicator is given in Annex A. Indicators are items of information which are available for each police authority, for example, density of population.

5.4 The application of a scaling factor in calculating the amounts of grant allocated to each police authority other than the Metropolitan Police Authority, and to the Greater London Authority on behalf of the Metropolitan Police Authority, by means of the principal formula is to ensure that the total of all those amounts equals the aggregate amount of grant to be allocated by means of the principal formula. This scaling factor is given in Annex B.

5.5 The police grant for a particular police authority consists of a basic amount per projected resident, a basic amount per person projected to be present in the authority during a 24 hour period (i.e. residents plus commuters) for special events, and top-ups for crime, incidents, fear of crime, traffic, sparsity and area costs:

### *Basic amounts*

|                             |         |
|-----------------------------|---------|
| Police Basic Amount         | 16.2596 |
| Special Events Basic Amount | 0.8008  |

### *Top-ups*

|                       |  |
|-----------------------|--|
| Police Crime Top-Up 1 | 2.5891 multiplied by <b>DAYTIME NET INFLOW PER RESIDENT POPULATION</b> ; plus<br>0.2887 multiplied by <b>LOG OF BARS PER 100 HECTARES</b> ; plus<br>15.8589 multiplied by <b>INCOME SUPPORT/INCOME BASED JSA/GUARANTEE ELEMENT OF PENSION CREDIT CLAIMANTS</b> ; plus<br>33.3708 multiplied by <b>SINGLE PARENT HOUSEHOLDS</b> |
| Police Crime Top-Up 2 | 0.0316 multiplied by <b>POPULATION DENSITY</b> ; plus<br>101.5315 multiplied by <b>LONG-TERM UNEMPLOYMENT-RELATED BENEFIT CLAIMANTS</b>  |

|                             |  |
|-----------------------------|--|
| Police Crime Top-Up 3       | 0.0765 <i>multiplied by</i> <b>LOG OF BARS PER 100 HECTARES</b> ; <i>plus</i><br>0.0084 <i>multiplied by</i> <b>POPULATION DENSITY</b> ; <i>plus</i><br>3.8417 <i>multiplied by</i> <b>RESIDENTS IN ROUTINE/SEMI<br/>ROUTINE OCCUPATIONS OR NEVER WORKED/LONG-<br/>TERM UNEMPLOYED</b> ; <i>plus</i><br>9.4669 <i>multiplied by</i> <b>SINGLE PARENT HOUSEHOLDS</b> ; <i>plus</i><br>0.7158 <i>multiplied by</i> <b>DAYTIME NET INFLOW PER RESIDENT<br/>POPULATION</b> |
| Police Crime Top-Up 4       | 0.1936 <i>multiplied by</i> <b>LOG OF BARS PER 100 HECTARES</b> ; <i>plus</i><br>8.5251 <i>multiplied by</i> <b>SINGLE PARENT HOUSEHOLDS</b> ; <i>plus</i><br>26.3589 <i>multiplied by</i> <b>STUDENT HOUSING</b> ; <i>plus</i><br>1.2059 <i>multiplied by</i> <b>HARD PRESSED</b>   |
| Police Crime Top-Up 5       | 0.3256 <i>multiplied by</i> <b>LOG OF BARS PER 100 HECTARES</b> ; <i>plus</i><br>36.1552 <i>multiplied by</i> <b>STUDENT HOUSING</b> ; <i>plus</i><br>142.2621 <i>multiplied by</i> <b>YOUNG MALE UNEMPLOYMENT-<br/>RELATED BENEFIT CLAIMANTS</b>  |
| Police Crime Top-Up 6       | 5.2179 <i>multiplied by</i> <b>DAYTIME NET INFLOW PER RESIDENT<br/>POPULATION</b> ; <i>minus</i><br>0.4798 <i>multiplied by</i> <b>LOG OF POPULATION SPARSITY</b> ; <i>plus</i><br>1.2258 <i>multiplied by</i> <b>LOG OF OVERCROWDED<br/>HOUSEHOLDS</b>  |
| Police Crime Top-Up 7       | 4.2217 <i>multiplied by</i> <b>DAYTIME NET INFLOW PER RESIDENT<br/>POPULATION</b> ; <i>plus</i><br>26.5256 <i>multiplied by</i> <b>STUDENT HOUSING</b> ; <i>minus</i><br>3.1415 <i>multiplied by</i> <b>WEALTHY ACHIEVERS</b>  |
| Police Incidents Top-Up     | 38.1676 <i>multiplied by</i> <b>INCOME SUPPORT/INCOME BASED<br/>JSA/GUARANTEE ELEMENT OF PENSION CREDIT<br/>CLAIMANTS</b> ; <i>plus</i><br>10.1800 <i>multiplied by</i> <b>RESIDENTS IN TERRACED<br/>ACCOMMODATION</b>   |
| Police Fear of Crime Top-Up | 0.3064 <i>multiplied by</i> <b>LOG OF BARS PER 100 HECTARES</b> ; <i>plus</i><br>2.2064 <i>multiplied by</i> <b>HARD PRESSED</b>   |
| Police Traffic Top-Up       | 1.1818 <i>multiplied by</i> <b>POPULATION SPARSITY</b>   |
| Police Sparsity Top-Up      | 0.8644 <i>multiplied by</i> <b>POPULATION SPARSITY</b>   |

5.6 The amount of police grant for a particular authority allocated under the principal formula is calculated as follows:

***Principal Formula to be applied by the Home Secretary***

- (a) **PROJECTED POPULATION IN 2009** multiplied by the result of:  
**POLICE BASIC AMOUNT; plus**  
**POLICE CRIME TOP-UP 1; plus**  
**POLICE CRIME TOP-UP 2; plus**  
**POLICE CRIME TOP-UP 3; plus**  
**POLICE CRIME TOP-UP 4; plus**  
**POLICE CRIME TOP-UP 5; plus**  
**POLICE CRIME TOP-UP 6; plus**  
**POLICE CRIME TOP-UP 7; plus**  
**POLICE INCIDENTS TOP-UP; plus**  
**POLICE FEAR OF CRIME TOP-UP; plus**  
**POLICE TRAFFIC TOP-UP; plus**  
**POLICE SPARSITY TOP-UP.**
- (b) **PROJECTED DAYTIME POPULATION IN 2009** multiplied by **SPECIAL EVENTS BASIC AMOUNT;**
- (c) The results of (a) and (b) are added together and the result is multiplied by **AREA COST ADJUSTMENT FOR POLICE;**
- (d) The result of (c) is then multiplied by **POLICE GRANT RATE;**
- (e) The result of (d) is then multiplied by the scaling factor given in Annex B.
- (f) The result of (e) is multiplied by the result of £4,271,426,215 divided by the sum for all police authorities of the result of (e) given in Annex D.

## **6. Additional Rule 1 to be applied by the Home Secretary**

6.1 The Home Secretary has decided that the grant provision under the principal formula for South Wales Police Authority shall be reduced by £2,484,364 to ensure the Authority will receive in local authority general grants the increase applicable to all police authorities in England. The sum will be paid in full to the other Police Authorities in Wales, in proportion to their principal formula grant. Dyfed Powys Police Authority will receive £633,808; Gwent Police Authority will receive £942,522; North Wales Police Authority will receive £908,034.

## 7. Additional Rule 2 to be applied by the Home Secretary

7.1 The Home Secretary previously decided to amalgamate five specific grants for each authority, to give police authorities more control over how they may be used.

7.2 The amalgamated grant is assigned to each police authority in addition to that available through the principal formula set out in section 5 and Additional Rule 1 set out in section 6.

|                                      | <b>Total amount<br/>of Rule 2 grant</b> |
|--------------------------------------|---|
| Avon & Somerset                      | £4,730,072                              |
| Bedfordshire                         | £1,936,772                              |
| Cambridgeshire                       | £2,771,433                              |
| Cheshire                             | £2,859,948                              |
| City of London                       | £1,457,614                              |
| Cleveland                            | £1,478,451                              |
| Cumbria                              | £2,662,080                              |
| Derbyshire                           | £2,566,947                              |
| Devon & Cornwall                     | £5,746,687                              |
| Dorset                               | £1,696,842                              |
| Durham                               | £1,618,234                              |
| Dyfed-Powys                          | £3,566,732                              |
| Essex                                | £5,851,900                              |
| Gloucestershire                      | £2,053,365                              |
| Greater London<br>Authority          | £54,723,201                             |
| Greater Manchester                   | £7,802,798                              |
| Gwent                                | £1,456,726                              |
| Hampshire                            | £5,386,640                              |
| Hertfordshire                        | £3,873,196                              |
| Humberside                           | £2,719,107                              |
| Kent                                 | £7,203,748                              |
| Lancashire                           | £4,027,428                              |
| Leicestershire                       | £2,501,531                              |
| Lincolnshire                         | £3,268,509                              |
| Merseyside                           | £4,786,895                              |
| Norfolk                              | £3,599,507                              |
| North Wales                          | £3,263,334                              |
| North Yorkshire                      | £3,442,883                              |
| Northamptonshire                     | £2,159,409                              |
| Northumbria                          | £3,543,585                              |
| Nottinghamshire                      | £1,994,853                              |
| South Wales                          | £3,007,662                              |
| South Yorkshire                      | £3,180,104                              |
| Staffordshire                        | £2,657,916                              |
| Suffolk                              | £2,709,164                              |
| Surrey                               | £3,576,270                              |
| Sussex                               | £5,517,810                              |
| Thames Valley                        | £8,349,716                              |
| Warwickshire                         | £1,495,189                              |
| West Mercia                          | £4,883,982                              |
| West Midlands                        | £8,942,021                              |
| West Yorkshire                       | £5,367,027                              |
| Wiltshire                            | £2,314,350                              |
| <b>Total England &amp;<br/>Wales</b> | <b>£208,751,642</b>                     |

## 8. Conclusion

8.1 This Report is made by the Secretary of State under section 46 of the Police Act 1996. It is laid before the House of Commons in accordance with that section.

8.2 The financial year for which the Report operates is that beginning on 1 April 2009.

[Day] January xxxx

[NAME]  
Minister of State for the Home Department

The approval of the Treasury has been obtained to the making of the determination specified in paragraph 2.1 and paragraph 3.1 of this Report.

[Day ] January xxxx

[NAME]  
[NAME]  
Two of the Lords Commissioners of  
Her Majesty's Treasury.

## Definition of indicators used in the principal formula used to calculate police grant

Unless otherwise stated, data used to construct indicators for the calculation of police grant are those available to the Secretary of State on 1 October 2007 concerning the constituent authorities of the authority providing policing services relevant to the calculation of police grant.

Constituent authorities for this purpose, and in the definition of population density below, are the relevant billing authorities (in whole or in part) whose area is contained within the area of the authority providing policing services. Each of the following is a billing authority a) in England, a district council, a London Borough Council, the Common Council of the City of London, the Council of the Isles of Scilly and a county council which has the functions of a district council; and b) in Wales, a county council and a county borough council.

Data used to construct indicators for this purpose for constituent authorities which are reorganised authorities comprise such data available, unless otherwise stated, on 1 October 2007 concerning the predecessor authorities, or parts of the predecessor authorities, as the Secretary of State considers appropriate. A reorganised authority is an authority subject to a structural, or a structural and boundary change which came into effect on 1 April 1995, 1 April 1996, 1 April 1997, 1 April 1998, 1 April 1999, or 1 April 2000 and which is made by an order under section 17 of the Local Government Act 1992 or under the Local Government Act 1972, as amended by section 1 of the Local Government (Wales) Act 1994, or those where boundaries have been altered under section 323 of the Greater London Authority Act 1999.

### **PROJECTED POPULATION IN 2009**

For English authority areas, the projected total resident population in 2009, as estimated by the Registrar General and published on 27 September 2007. For Welsh authority areas, the projected total resident population in 2009, as estimated by the Secretary of State using information from the National Assembly for Wales and the Registrar General.

### **DAYTIME NET INFLOW PER RESIDENT POPULATION**

**THE DAYTIME NET-INFLOW** (as defined below) *divided by* the total resident population of the authority, calculated using information from the 2001 Census.

### **DAYTIME NET-INFLOW**

The number of persons working but not resident in the authority's area minus the number of persons resident in but working outside the authority's area, as estimated by the Secretary of State using information from the 2001 Census.

**LOG OF BARS PER 100  
HECTARES**

The natural logarithm<sup>1</sup> of:

The number of units that are bars (*defined as Standard Industrial Classification (SIC) 55.40 – BARS*), as estimated by the Secretary of State, based on information provided by the Office for National Statistics from the 2005 Annual Business Inquiry; *divided by* the number of hectares, using information from the 2001 Census; the result is then *multiplied by* 100.

**INCOME  
SUPPORT/INCOME BASED  
JOB SEEKER'S  
ALLOWANCE/GUARANTEE  
ELEMENT OF PENSION  
CREDIT CLAIMANTS**

The number of Income Support/Income based Jobseeker's Allowance/Guarantee Element of Pension Credit claimants, over a period between:

- a) May 2004 and February 2007, using twelve quarterly scans for this period for Income Support/Guarantee Element of Pension Credit claimants, *and*
- b) August 2004 and August 2006, using scans made at the end of August of each year for Income based Jobseekers Allowance claimants,

As estimated by the Secretary of State for Work and Pensions, *divided by* the resident population at 30 June 2006, as estimated by the Registrar General.

**SINGLE PARENT  
HOUSEHOLDS**

The proportion of households which are lone parent households with dependant children, calculated using information from the 2001 Census.

**POPULATION DENSITY**

The resident population at 30 June 2006, as estimated by the Registrar General, *divided by* the area of the authority in hectares, using information from the 2001 Census.

**LONG -TERM  
UNEMPLOYMENT-  
RELATED BENEFIT  
CLAIMANTS**

The number of claimants of unemployment-related benefits, currently Jobseeker's Allowance and National Insurance credits, with a duration of unemployment of more than one year, averaged over the period between May 2004 and April 2007, calculated using monthly information provided by the Office for National Statistics through NOMIS, *divided by* the sum of the number of resident males aged 18-64 years and the number of resident females aged 18-59 years at 30 June 2006, as estimated by the Registrar General.

**RESIDENTS IN ROUTINE/  
SEMI-ROUTINE  
OCCUPATIONS OR NEVER  
WORKED/ LONG -TERM  
UNEMPLOYED**

The proportion of residents in routine or semi-routine occupations or who have never worked or are long term unemployed (National Statistics – Socio Economic Classifications (NS-SEC) 6, 7 and 8), calculated using information from the 2001 Census.

**STUDENT HOUSING**

The proportion of households that contain all students, calculated using information from the 2001 Census.

<sup>1</sup> The natural logarithm is also known as the Napierian log or log to the base e

**HARD PRESSED  
POPULATION**

The proportion of household residents living in areas classified as ACORN category 'Hard Pressed', as defined in ACORN data produced by CACI Limited, based upon information from the 2001 Census and updated lifestyle data, and released at the end of 2006.

**YOUNG MALE  
UNEMPLOYMENT-  
RELATED BENEFIT  
CLAIMANTS**

The number of claimants of unemployment-related benefits, currently Jobseeker's Allowance and National Insurance credits, who were male and aged under 25 years, averaged over the period between May 2004 and April 2007, calculated using monthly information provided by the Office for National Statistics through NOMIS, *divided by* the sum of the number of resident males aged 18-64 years and the number of resident females aged 18-59 years at 30 June 2006, as estimated by the Registrar General.

**LOG OF POPULATION  
SPARSITY**

The natural logarithm of **POPULATION SPARSITY** (as defined below).

**POPULATION SPARSITY**

The population sparsity of each authority measured at Output Area level. The sum of:

- (i) 2 *multiplied by* the resident population of those Output Areas within the area of the authority at the 2001 Census with 0.5 or less residents per hectare, *divided by* the total resident population of the authority, calculated using information from the 2001 Census; *and*
- (ii) The resident population of those Census Output Areas within the area of the authority at the 2001 Census with more than 0.5 but less than or equal to 4 residents per hectare, *divided by* the total resident population of the authority, calculated using information from the 2001 Census.

Output Areas were introduced by the Office for National Statistics as the smallest units of output for the 2001 Census. In England and Wales they have a minimum size of 100 residents and 40 households. They are based on Census day postcodes and fit within the boundaries of 2003 statistical wards (and parishes).

**LOG OF OVERCROWDED  
HOUSEHOLDS**

The natural logarithm of:

The proportion of overcrowded households with an occupancy rating of "-1 or less", calculated using information from the 2001 Census.

**WEALTHY ACHIEVERS  
POPULATION**

The proportion of household residents living in areas classified as ACORN category 'Wealthy Achievers', as defined in ACORN data produced by CACI Limited, based upon information from the 2001 Census and the updated lifestyle data, and released at the end of 2006.

**TERRACED HOUSEHOLDS**

The proportion of households which are terraced, including end terraced, calculated using information from the 2001 Census.

**PROJECTED DAYTIME**

**PROJECTED POPULATION IN 2009** (as defined above) *plus*

**POPULATION IN 2009****DAYTIME NET-INFLOW** (as defined above)**POLICE GRANT RATE**

The proportion of police revenue expenditure in England and Wales for 2009-2010, as estimated by the Secretary of State for the Home Department, which is to be met directly by the aggregate of police grant calculated under section 5 of the Police Grant Report (England and Wales) 2009-2010.

**AREA COST ADJUSTMENT FOR POLICE**

A factor calculated to reflect differences in the costs of providing police services across the country. The factor is given in Annex C. It is generally based on information derived from the following sources: the 2004, 2005 and 2006 Annual Survey of Hours and Earnings provided by the Office for National Statistics; Subjective Analysis Return 2003-04 and 2005-06; Base Estimate Returns 1992-93; rateable values and hereditaments at 1 July 2007 from the HMRC; estimates of office hereditaments and floorspace as at 2006; gross non-domestic rates and increases and reductions in rate yields, as supplied by authorities to the Secretary of State on the National Non-Domestic Rates Provisional Contributions Return 2007-08; and the total resident population as at 30 June 2006, as estimated by the Registrar General.

**Scaling Factor**

The scaling factor used in paragraph 5.6(e) of the report is:

0.999997056528279

## Area Cost Adjustment Factors

| <i>Area Cost Adjustment Factors</i>  |               |
|--------------------------------------|---------------|
| <b>Police Authority</b>              | <b>Factor</b> |
| Avon and Somerset                    | 1.0274        |
| Bedfordshire                         | 1.0491        |
| Cambridgeshire                       | 1.0548        |
| Cheshire                             | 1.0107        |
| Common Council of the City of London | 1.5146        |
| Essex                                | 1.0449        |
| Gloucestershire                      | 1.0202        |
| Greater London Authority             | 1.1837        |
| Greater Manchester                   | 1.0256        |
| Hampshire                            | 1.0483        |
| Hertfordshire                        | 1.104         |
| Kent                                 | 1.0245        |
| Leicestershire                       | 1.0131        |
| Merseyside                           | 1.0064        |
| Northamptonshire                     | 1.0196        |
| Nottinghamshire                      | 1.0052        |
| Surrey                               | 1.1506        |
| Sussex                               | 1.017         |
| Thames Valley                        | 1.1118        |
| Warwickshire                         | 1.0247        |
| West Midlands                        | 1.0156        |
| West Yorkshire                       | 1.0129        |
| Wiltshire                            | 1.0357        |

**Sum of (e) for all police authorities**

The sum of (e) for all police authorities used in paragraph 5.6(f) of the report is:

665,534,762.838757