

House of Commons - Home Affairs Committee - Minutes of Evidence

The Committee Office, House of Commons

Examination of Witnesses (Question Numbers 199-240)

Rt Hon Nick Herbert MP

18 January 2011

Q199 Chair: Minister, thank you very much for coming. We do appreciate you have had a very tough morning—or maybe it wasn't a tough morning—at the start of the Committee. Of course some of our Members were there. We will try and be as gentle as possible with you, bearing in mind the subject matter of this inquiry.

May I start with a couple of issues that are in the public domain at the moment, which Members would like to ask you a question on? With regard to undercover police officers, who at the Home Office sanctions undercover infiltration?

Nick Herbert: It is important to understand the distinction between the role of the Home Office in setting the legal framework, and indeed Parliament's role in setting the legal framework, which is governed by the Regulation of Investigatory Powers Act 2000, and what are operational matters for the police. So RIPA authorisations in this case are made by the police. There is governance in place in relation to that in the form of the Surveillance Commissioner, who has oversight of that, and of course the chief officers, who make these authorisations, are accountable to their own police authority. Ministers would not interfere in the operational decisions. What we expressly do not do is tell the police what intelligence to gather, how to gather it, how to use the intelligence; that is not our role and I think it is important to understand that distinction.

Q200 Chair: No Minister would have sanctioned an undercover infiltration?

Nick Herbert: No. In relation to these kinds of undercover operations, these are operational matters for the police, but they must be conducted according to the law as specified by RIPA. That is the point. Clearly, in the case to which I am sure you are referring, it is clear to us all that operationally something has gone very wrong, and that is now the subject of—

Q201 Chair: Shall we just call it the Kennedy/the environmental cases?

Nick Herbert: The Kennedy case. Something has gone very wrong and that is now the subject of an IPCC investigation.

Q202 Chair: Would you want to take this further? Lord Macdonald, your reviewer of counter-terrorism, has suggested guidelines should be issued and this matter should be investigated by the Home Office. Are you happy to leave this with the IPCC or, as a Minister, would you have concerns and want to look at this further?

Nick Herbert: In relation to this specific case, it is right that the IPCC should look into it and then we should take note of that. Wider issues are raised—which I am happy to address—in relation to how national policing functions are organised and the accountability for that. But the Home Secretary and I are keen that we should ensure the proper division of responsibility, between that which is operational and that which is the responsibility of the Home Office.

Chair: Sure. But these recent cases, of course you are concerned and they need to be looked at, that is what you are saying?

Nick Herbert: I think everybody is concerned by the Kennedy case. We have an IPCC specifically to investigate this kind of thing.

Q203 Chair: One final question from me on this concerns the national public order intelligence database, which gathers the names of people who attend these protests. I understand that Vince Cable, a Minister in your Government, and the leader of the Green Party, Caroline Lucas, were both present at one of these protests. Would their names be on the database as well? Whose name gets on this database?

Nick Herbert: I have no idea whether their names are on such a database or not. Police forces, individually, do hold databases of intelligence about people.

Q204 Chair: About people who attend protests of this kind?

Nick Herbert: They hold intelligence about people of varying natures. If you remember, the thrust of concern after the Soham incident and the Bichard inquiry was far from suggesting that we should be restricting this information. It was that it needs to be properly shared; hence the proposal for the national database.

Q205 Chair: But, as the Minister for Policing, are you concerned that everyone's name might be on this database who attends a protest of this kind?

Nick Herbert: I don't think everybody's name is on the database.

Chair: Not everyone in the country.

Nick Herbert: Let us be clear that the Government strongly supports the right of people to protest peacefully, and we made this point in relation to the student riots. But, of course, the problem for the police comes when peaceful protest—and some of those who ostensibly are engaged, or initially in peaceful protest—spills over into criminal activity, some of which can be very serious in relation to criminal damage and worse. The police do have an important job to do in keeping us safe and in ensuring that this kind of activity is prevented, if possible, and then dealt with.

I should just make the general point to the Committee that, in relation to the first student demonstration that we had before Christmas, there was general criticism of the police for a failure to act or to interpret properly intelligence. People across the House of Commons were saying, "Should there not be better intelligence?" So we cannot have it both ways.

Chair: Indeed. We will come back to this as a Committee in the future. This session, of course, is about police finance, but Members of the Committee will ask you brief questions on this and then we will go on to police finance.

Q206 Mark Reckless: Minister, we agreed at the Second reading debate that the police should not operate within a political vacuum. But with respect to these environmental cases—and my police Authority in Kent has not been able to exercise effective scrutiny of what ACPO has been getting up to with these officers, for instance, at the Kingsnorth climate camp—the Chairman perhaps assumed that Ministers might be exercising a level of oversight, but it appears not. Isn't the reality that these types of ACPO-led operations are operating in a political vacuum and that we need to do something about that?

Nick Herbert: Two things: first, in so far as the conduct of your individual chief officer is concerned, that is a matter for the police authority, and of course we are strengthening the governance of local policing through directly elected police and crime commissioners. In relation to this national unit, which you are expressing concern about, I think we are all agreed—including ACPO themselves—that it is not desirable that national operational units like this are run by ACPO.

The Government has been absolutely clear that we wish to have proper accountability for the organisation of chief police officers, in whatever form that takes going forward, and that in response to HMIC's report, *Adapting to Protest*, which was published in December 2009, this unit should be moved out of ACPO. That is under way, and the plan is to move it, in relation to this particular unit, to a lead force model, the Metropolitan police. Discussions have been undertaken with the Metropolitan police authority about that and they will then exercise the governance that is necessary, so that will be strong, democratically accountable governance of the unit.

In relation to ACPO itself, it is agreed, and the Government is determined, that ACPO needs to reform; that it should not be, itself, running operational units like this, that it should be the professional body of policing. We have just received a report from Peter Neyroud—the former chief executive of the NPIA and chief constable of Thames Valley police—into how such a professional body may be created. So I believe that we are embarked upon the greater accountability, reform and transparency that the Committee seeks, including of course, already having taken a decision to make ACPO subject to Freedom of Information Act requests.

Q207 Mark Reckless: To link that to the issue of police finance, we have just heard from representatives of police authorities that they are likely to cut funding to ACPO. They don't feel they can hold ACPO to account or are getting value for money for that. I understand that the Home Secretary has written to Rob Garnham saying that she is considering available options in the event that the funding is removed. Wouldn't one option be for ACPO to make some economies with its £15 million, I understand it has been spending on this undercover operation, including a £200,000 expense account, it is suggested, for an undercover officer to pose as an environmental activist?

Nick Herbert: To answer generally, we have said to ACPO that, in relation to their request for ongoing funding, if it does not come from police authorities we would expect them to make significant economies, as we are asking police forces themselves to make savings. In the end, this money will come from the taxpayer, whether it is through the route of police authorities or not. We have also asked the Association of Police Authorities to look at this again. While we have ACPO, whose members are doing important jobs, then it must be funded, but it must also ensure value for money for the taxpayer at this time.

Chair: To make progress, could Members could just ask brief questions on this.

Q208 Mr Winnick: You said to the Chair that something clearly went wrong over the Kennedy/Stone business. It all seems pretty murky and sordid to say the least. When did you first know about the position? Before it went into the public domain?

Nick Herbert: No, I myself did not know about this before it went into the public domain.

Mr Winnick: So the first time that you knew of these allegations was when the rest of us knew. Is that so?

Nick Herbert: Yes.

Q209 Mr Winnick: How long will this investigation take?

Nick Herbert: That is a matter for the IPCC. I'm not sure; I think we are as keen as anybody is that it should not drag on. Equally, it is very important that it is thorough, not least because of any wider implications that may be drawn from this particular failure.

Q210 Mr Winnick: You said to me last week in answer to my question on the Floor of the House that the whole business of undercover agents is to keep the country safe, and one takes that for granted. That is the purpose of the exercise. But in this case a police officer indulged in actions that he says would only have been authorised by the police; that he took no action without being authorised by his superiors. What do you say to that?

Nick Herbert: I am afraid that I am going to say what you might expect me to, which is this really is the subject of the IPCC investigation.

Q211 Dr Huppert: I have two quick questions, one about accountability and one about honesty. On accountability, I believe that under RIPA, undercover officers can be authorised by anyone of the rank of superintendent or above, although in practice it is done by ACCs, because of concerns. Would you agree to change the rules so it is at least an assistant chief constable who has to authorise?

Nick Herbert: I can't agree with you about that. I think we would want to look at what the IPCC says in relation to this, and also take any advice from HMIC which, I believe, will be consulted about the move of the function of the order unit to the Metropolitan police and the governance arrangements that surround that. So, as in any of these areas, we are happy to keep this all under review, but I'm afraid I can't give you a commitment to make that change now. I think it would have to be based on some evidence that it was necessary.

Q212 Dr Huppert: My other question is about honesty. You will know that a former Member of this Committee, Tom Brake, was involved with the G20 protests, where he was told—I believe this Committee was told—that there were no undercover officers at that protest. That turns out to have been deeply inaccurate and there were a large number of undercover officers. Do you think there should be transparency, and do you think, for example, this Committee should be told the truth about what is happening there?

Nick Herbert: As a general principle, I think, any parliamentary Committee should be told the truth. I am happy to agree with that.

Chair: I have written to the Commissioner to ask him to clarify his comments.

Q213 Steve McCabe: I don't want to pre-judge any inquiry but, given that you are the person that Parliament holds responsible and accountable for the conduct of the police, how comfortable do you feel about, and how well served do you think you are by the fact that these very sensitive decisions are being taken and no one thinks it is important to give you even the most cursory of briefings on what is going on?

Nick Herbert: The system that Parliament has set up is for the review of these authorisations to be done by the Surveillance Commissioner, and that review is then published on an annual basis. So the governance is in place. I repeat: what we have to be careful of is Ministers trespassing into operational decisions, and ensuring that our role, along with Parliament's role, is to provide the right legal framework, and so on. Having set up the office of the Surveillance Commissioner, surely it is proper that it should report on these matters.

Q214 Nicola Blackwood: On a slightly separate issue, but subsequent to all of these claims regarding the environmental protests, there was a suggestion that private security firms are also sending undercover operatives into protests, specifically, those surrounding big business. Do you have any particular views on that?

Nick Herbert: I have no knowledge of that at all.

Q215 Chair: To conclude this, Mark Kennedy is not James Bond, but are you as worried as I am about this £200,000 that Mr Reckless just mentioned as being the expense account that is used? Will you write to the Committee—of course it is an operational matter, but this is taxpayers' money—and assure the Committee that these matters are being looked into? You don't have to give me an answer now, but if you could—

Nick Herbert: This is not something that has been raised with me, and you may wish to question the appropriate people about that.

Q216 Mark Reckless: With respect, who are the appropriate people? Under RIPA, we get a surveillance

report a year in arrears, perhaps. But the fact is that this matter has only come to our attention because this one officer broke the rules, is accused of revealing another officer, and has gone public with what he was doing. Frankly, there is absolutely no evidence that we, or any other Committee, or Parliament, would have heard about this from the RIPA surveillance, and I don't know who the appropriate authorities are, who were supervising that aspect. Was anyone supervising it?

Chair: Mr Reckless' point is that if I don't write to you about it, or you don't write to me, who should I write to to ask about this expense account?

Nick Herbert: If I understand what you're talking about, this in relation to the unit that currently exists within ACPO?

Chair: Yes.

Nick Herbert: So it seems to me to be appropriate for you to take this up with the president of ACPO. Of course, we have an interest in how taxpayers' money is being spent. But I have already agreed—and I think it is important to restate—the Government is strongly of the view that there needs to be a proper accountability for ACPO and its successor body, and that units like this should not be operated by ACPO and that they should be operated either by a lead police force or, in future, the National Crime Agency, where there is proper governance in place so that Committees, like yours, can have access to this kind of information.

Chair: I will take your advice. I will write to the president of ACPO on the issue of the expense account. Let us now move to something uncontroversial, police finance.

Q217 Alun Michael: Getting to the subject you were coming to speak to us about in the first place, do you accept the general view that there is a correlation between the number of police officers and levels of crime?

Nick Herbert: What I have said, to be absolutely clear, and I have been extensively misquoted in this area, largely by people who sought to make mischief—I am sure it is a familiar experience to us all—is that there is no simple link between the numbers of officers and levels of crime. I think most thoughtful people, most independent academics, would agree that there is no simple link.

Q218 Alun Michael: Would you agree that there is a link?

Nick Herbert: Yes. As Bill Bratton said when he came over to London, and of course he gave evidence to your Committee, "Cops count", and of course they do. But the real question is how resources are deployed; what use is made of officers. Simply to focus on overall numbers of police officers misses the point that we should pay much closer attention to issues of deployment, how visible and available, for instance, police officers are. We know from the HMIC report that visibility and availability are relatively low, at 11% of the police work force, by their estimate. We also know, although we need to be careful of international comparisons, that there are countries, such as Spain and Sweden, where police officer numbers have been rising but so has crime. Equally there are countries, for instance, the United States—specifically New York—which over the last decade has seen a reduction in the police workforce of something like 10%, so significant numbers of officers, but much larger falls in crime, of about a third. So I think we have to be careful of making a simple link.

Q219 Alun Michael: Accepting that it is not a straightforward link, which is a reasonable point, what research does the Home Office do on the relationship between police numbers and crime before deciding, first, on the level of savings that will be required under the CSR, and secondly, on the front-loading of those savings?

Nick Herbert: On the two issues: I think the former Permanent Secretary, Sir David Normington, gave evidence to you about that Home Office research and subsequently wrote to you. So the Home Office has attempted to collate the various elements of research that have been conducted by independent bodies.

Essentially, what it has established is exactly as I say, that there is no simple link between crime rates and numbers of police officers. Our focus, in the Home Office, has been on how resources are deployed and how we can drive savings and ensure efficiencies to ensure the most effective deployment.

Q220 Alun Michael: Okay, so we are agreed that there is a complex relationship between police numbers and crime levels. It is certainly the case, isn't it, that a reduction in police numbers means that there will be alterations in the tasks carried out by police, the way that they are deployed; the point that you made yourself. How do you expect the range of tasks undertaken by the police to alter as a result of the savings that are now being required?

Nick Herbert: Firstly, decisions on deployment are for Chief Constables to make and discuss with their police authorities. We don't direct that from central Government. What we have said is that we want to assist forces in driving savings in what you might call the back and middle offices, to ensure that resources can be prioritised for what we might broadly call the front line; in particular, what I think is the people's priority, which is visible and available policing, to ensure that police officers remain available for the public and on the streets, and that we maintain the investment in neighbourhood policing, which I think has been very important to the public. Our belief is that, building on the savings that HMIC identified, it is possible—by driving those kinds of savings—to ensure that the service that the public receive will remain as good or improve, in spite of there being tighter resources for policing.

Q221 Alun Michael: I'm sure you would accept, Minister, that a lot of the back-office functions—the ones that aren't visible—enable the front line to be effective. So, what view do you have of the sort of tasks and services that the police should prioritise in coping with the changes that they are going to have to cope with over the immediate period?

Nick Herbert: Yes, those back and middle office functions—

Chair: I know you are giving us detailed evidence. But briefer answers would be very much appreciated, and briefer questions, please.

Nick Herbert: Sure. Those back and middle office functions are important, but it is not to say that they cannot be done more cost-effectively, more efficiently, or in an innovative way. So when it comes to looking at issues such as the better use of IT, better procurement, shared services, and collaboration, these are all areas where functions can be delivered more cost effectively and efficiently.

Q222 Bridget Phillipson: Minister, will crime be higher, lower or the same by the end of the Parliament, do you think?

Nick Herbert: Of course, it is the Government's ambition that crime levels should be lower. Any Government wants to reduce crime and make the public safer. The Home Secretary has set a very clear mission for the police, which is to cut crime, by which we mean prevent crime and anti-social behaviour as well.

Q223 Chair: We understand the ambition, but what do you think it will be?

Nick Herbert: I am not in the business of making guesses here. We are absolutely determined to do everything possible to drive down crime and to tackle anti-social behaviour, and so on.

Q224 Lorraine Fullbrook: Minister, I would like to talk more about how we achieve these savings. Exactly how do you expect these savings to be made by more effective procurement, and how do you think this would be carried out among the forces?

Nick Herbert: Procurement is one of the areas where we can expect significant savings to be made. We know that police authorities are spending some £2.8 billion a year on equipment, goods and services, which is a very substantial sum of money. We have identified that something like £200 million worth of savings could be made annually by better procurement. That is, essentially, by forces procuring together

and using collective buying power. I have already announced at the same time as we launched the policing consultation, that the Government is willing to take powers to drive that, starting with equipment, like vehicles, in the non-IT area. But we also need to look at the potential savings from IT as well, which are very significant, and where we think that by better purchase of IT we could save another £180 million a year. It is worth reflecting that there are 2,000 different IT systems between forces and between them they employ 5,000 staff.

Q225 Lorraine Fullbrook: The obvious things are IT, uniforms, vehicles, and so on. I am absolutely staggered how many forces have 24/7 helicopters on standby with the requisite pilots and maintenance. Is there a need for as many forces to have helicopter forces, in effect?

Nick Herbert: No, and the—

Chair: Do you know how many helicopters there are?

Nick Herbert: We are very close to agreeing with chief constables that there will be a national police air service, where forces will be sharing helicopters, and that will save £15 million a year, and it then has to be agreed by police authorities. The Government's message to police authorities will be that if the operational commanders judge that this is a cost effective arrangement that will nevertheless provide a perfectly good service for the people in their area, police authorities must not stand in the way of achieving that kind of saving. It is a very good example of where we can deliver the same or better service operationally, but at far lower cost.

Q226 Mr Clappison: Let me give you an example of an area that you might want to look into for savings, on the basis of the evidence that we heard just before you came in. We heard from a very distinguished extradition lawyer who told us about the large amount of police time that was being wasted in this country pursuing trivial European arrest warrants, involving detectives travelling up and down the country, as well as the substantial cost of people being held in custody for trivial matters. Could you look into that and perhaps write back to us about it?

Q227 Chair: That is an absolutely fair representation of the evidence.

Nick Herbert: I think I had better not be drawn into talking about European arrest warrants.

Chair: Well, could you write to us about the savings?

Nick Herbert: Having said that I wouldn't write to you on one matter, I think I had better write to you on another. Yes, I'm happy to do that.

If I can make a wider point: there is another area of savings, which I think will be very important for the police, and that is savings in the criminal justice system and how it is operating. We know that in London, where integrated case management teams have been piloted, £16 million-worth of cashable savings have been identified over a 10-year period. It is possible to extend that, and that is simply by the police working together with the Crown Prosecution Service and reducing paperwork.

Chair: Excellent.

Q228 Steve McCabe: I just want to go back to the shared use of equipment before we get carried away. Obviously, if there are savings to be made in helicopters, that is a good thing. But would you accept, Minister, that one of the things that is currently under discussion is, depending on where the helicopters are located, you could add to the fuel bills, which will offset some of the costs, and at a time of rising aviation fuel, that would be a really important thing to take into account.

Nick Herbert: I am sure that the chiefs who are discussing the development of the national police air service have taken that into account and that, nevertheless, the savings that they are identifying will be realised.

Can I just add very quickly, Chairman, that one of the things I am keen for the Committee to take on board is that the kinds of savings that I'm talking about—very significant savings from procurement and savings from IT—are all additional to those savings that HMIC identified could be made by police forces of over £1 billion a year. It is because we can drive savings in this area that do not in any way reduce the service that the public is receiving, that we are confident that the spending reductions will not impact negatively on the service the public is currently receiving.

Chair: Thank you; very helpful.

Q229 Mark Reckless: In Kent we have already identified £11.5 million of savings through collaboration with Essex, and there are one or two other examples—Herts and Beds comes to mind—where there has been good progress. But generally the savings from collaboration have been rather disappointing, and I wondered whether you thought Ministers might be able to accelerate this, or whether you would look to the directly elected police and crime commissioners to be able to drive out much more substantive savings through collaboration?

Nick Herbert: I think I agree with you that progress up until now has been too slow, but I think that is partly because there hasn't been the kind of fiscal driver to do it. Now that police forces know that they are receiving less grant for the next four years, that is, I think, changing the incentives, both for chief constables and for police authorities. It is driving much more interest on the part of police forces in collaboration, outsourcing, better procurement, and so on. Because they all share the same desire as we do in the Government, which is to maintain the front-line policing service and the service that the public receives and find savings in other ways, in better use of taxpayers' money.

Q230 Mr Winnick: Last week the chief constable of West Midlands police said, obviously, his force would do their utmost to bring about the usual service despite the cuts, but when he was pressed about whether the reduction in public expenditure would have an adverse effect, he admitted it would do so. That is very worrying in the west midlands. Do you share that concern?

Nick Herbert: I am not sure that he said that, having read his evidence. In every meeting that I have had with the chief constable he has reiterated his determination to drive savings. He has already, of course, instituted a very significant redesign of the policing organisation in the west midlands so that he can continue to deliver a high quality service for the public. I don't underestimate the challenge that police forces face, but we do think that it is possible for police forces to make the kinds of savings I've been talking about in order that—

Q231 Mr Winnick: Yes, you have said this repeatedly, of course, in the Chamber, but when you question whether the chief constable actually said so, when pressed by the Chair at last week's meeting he did say that it would have an adverse effect, qualifying it, as I said earlier, by saying that the force would do their utmost to try and avoid a deterioration of services arising from the reduction. The particular point, Minister, which has been made in the west midlands—and I have sent the Home Secretary a letter from the chair of the police authority—is that the west midlands considers it unfair that apparently no account has been taken that the sum of money they receive, other than from central Government, is considerably less than other police forces, yet the west midlands has been treated in the same manner; and your response?

Nick Herbert: First, it is an important point that police forces do not raise all of their revenue from central Government. On average they are raising about a quarter of their revenue from the local taxpayer, but that is an average figure and it varies as between police forces. So, some have argued—and I have no doubt that people in the west midlands would be amongst them—that therefore we should have varied the reduction in Government funding to take into account how much was being raised from the local taxpayer.

As I have said to Members in the west midlands before, there are two problems about that. The first is that what we would effectively be doing is saying to people in areas who are already funding far more through their local council tax, through the precept, that they should be penalised for the fact that they have funded far more. The second is that, in order to give effectively redress to forces like the west midlands and to

reduce the cut in grant to them, that would have required us to have increased the amount that the grant would be cut by other forces, which would have meant that they would have had more than a 20% cut over four years in their central Government grant.

I didn't see people putting up their hands and volunteering the forces that should have a bigger cut than 20%, nor was it—if I may make a final point—the basis upon which police forces were working. They were expecting a reduction of 20%, expecting that it would be applied to them all evenly and for those reasons the Government made the decision to apply it evenly.

Q232 Mr Winnick: Your message to the west midlands, Minister, is that there will be no change; no matter what representations have been made by the police authority or by Members of Parliament for west midlands constituencies, there will be absolutely no change in what has been announced?

Nick Herbert: I listened carefully to those representations and considered the matter very carefully indeed. I understand the point that is being made. This will be subject to parliamentary determination.

Chair: Indeed. We have three very quick areas to cover; so, again, brief answers and brief questions..

Q233 Mark Reckless: Minister, we understand that there is some level within the formula grant of allowing for differences in income or even differences in crime levels between different areas, but is it really fair that Dorset should have to pay 44% of the costs and Surrey 49%, when the west midlands pay a mere 14% of the costs of their policing and Northumbria a mere 12%?

Chair: Before you answer that, let me bring in Dr Huppert because his question is on the same theme.

Dr Huppert: Yes. I was going to ask whether you would consider reviewing the formula because it has been perceived certainly as very unfair over a long time. Cambridgeshire, for example, is the fastest growing county, a relatively high number of incidents per head; it has one of the lowest levels of funding and one of the lowest levels of police per head. Will you be reviewing the whole funding formula so that we can have a fairer system?

Nick Herbert: I think we're now hearing the other side of the argument, which is specifically the view that council taxpayers in areas where far more has been taken from the precept over the last few years have paid an unfair burden. That is exactly the opposite view to that expressed in the west midlands. The average increase in precept since 1996-97 is 236% but in Surrey it is 362%. So those local taxpayers have already been penalised.

I think there is also specific concern about damping, which is a form of redistribution that has in the past ensured that there was a measure of equalisation in relation to funding and that no force should receive below a certain amount. Of course, that is popular with forces that receive what is in fact a subsidy; very unpopular with forces, such as the west midlands—I notice Mr McCabe is nodding—that have to pay out.

What we have said is that we will look again at this issue in two years' time, but it is much easier to make these kinds of adjustments and do what I think everybody wants us to do, which is to move to a full formula and a fairer allocation, when the tide is rising, when grant is going up. It is highly problematic to do this when the tide is falling, which it will be over this immediate period. That is because you end up with some forces that would have to pay far more than the average cut in Government reduction, and that is why we don't think it's a sensible thing to do.

Q234 Bridget Phillipson: When it comes to police finance, when it comes to local government finance the message to my constituents in the Northumbria force area is, "Have done with it and move to Dorset"?

Nick Herbert: That is not my message, but it's certainly true that other areas have had to pay very much more in their council tax over recent years than council tax payers in Northumbria have. Therefore, it is possible to point to that perceived unfairness. I think my brief experience on these issues is that absolutely nobody is satisfied with the allocation of funding. Every force believes that it has been treated unfairly,

makes a very persuasive claim for an increase in grant, and my consistent point back has been to pay great attention to these arguments and to try and be as fair as we possibly can, but those who argue for a greater subsidy for their force may also have to answer the question of which force they wish to take it away from.

Chair: Minister, I'm trying to finish before 2 pm because I know you have important meetings to go to, as do Members of the Committee. So could you try and bear that in mind. This is not a reflection on you, Mr Michael, but you are next.

Q235 Alun Michael: I can't avoid reflecting on the fact that losers shout and winners are silent, and that there is no such thing as a perfect formula and it's important to build in—a serious point—continuity of finances.

We have the situation, which was referred to earlier, that the Home Office decided to require police forces to make the bulk of savings in the first two years. Perhaps this is one we should nail on the Home Secretary rather than yourself, but are you able to tell us why the Home Office took that decision?

Nick Herbert: Of course, it was the Treasury that set the profile. I don't think you can characterise that as a unilateral decision of the Home Office. Of course it reflects the need to deal with the deficit. I don't think it's fair to characterise the funding reductions that we have required forces to make as wholly front-loaded. They are not as big in the first year as they are in the second, and the cash reduction is just over 5% in 2011-12 and then 6.7% in 2012-13, but that is before you take specific grants into account. Once you take those into account, the overall cash reduction for policing as a whole in central grant is 4% in the first year and 5% in the second year. Expressed like that, it is possible to appreciate that these are challenging reductions but they are deliverable.

Q236 Bridget Phillipson: What do you think the risks are of requiring forces to make these savings at the same time that you're looking to bring forward new governance arrangements?

Nick Herbert: I don't think that there are risks in that. The savings that we're requiring are from police forces. It is important that police authorities, for the remainder of their life, are assisting the drive to make those savings, and that job will then be taken by police and crime commissioners. Police and crime commissioners is a change in the governance of policing and these challenges face police forces, irrespective of who is governing them at the local level. So I do not believe that there are risks from the reform programme. In my view, it is an absolutely essential programme to rebuild the bridge between the police and the public.

Q237 Bridget Phillipson: Could I just clarify: where is the money coming from for the police commissioners and what is the cost?

Nick Herbert: We don't expect that police and crime commissioners will cost any more than police authorities do at the moment, except that there is clearly a cost of holding elections once every four years and that is a cost of £50 million to run the election. That has been provided for by the Treasury in the settlement. It does not come out of force budgets. It was allocated by the Chancellor as an additional sum of money. So there will be no cost to police forces in terms of the introduction of police and crime commissioners. In my view, the police and crime commissioners will drive savings; collaboration; shared services and focus on value for money rather more effectively than police authorities have done.

Chair: You have prompted Mr McCabe to ask a very quick question.

Q238 Steve McCabe: I just want the Minister to clarify this: he says that is extra money from the Treasury but the reality is it is part of the settlement from the Home Office, and you could be choosing to spend it on policing. It's a conscious choice that you're making to take £50 million and use it for elections. That is what it says here. It's one of your specific grants. So you are taking money that could be used for policing and you are using it for elections. That is true, isn't it?

Nick Herbert: No, I can clarify that we secured it as additional funding from the Chancellor.

Q239 Steve McCabe: So you would have received an even bigger cut if you hadn't had an election to finance?

Nick Herbert: No. We secured an additional—

Steve McCabe: You can't have it both ways, Minister.

Nick Herbert: No, Mr McCabe, I want to make it clear. We secured an additional £50 million to run the election. I happen to think it's a very bad argument to advance against a reform that a democratic process costs money. We could advance the same argument against a referendum. It's a fraction of the overall policing budget, and in my view the savings that will be driven by police and crime commissioners will more than outweigh it.

Q240 Chair: The Committee hopes to have a report on this very shortly in order to assist the Government. Just on the figures: the APA said it estimates a loss of 26,000 jobs in four years. Mr Balls told the Committee that he thought it was about 14,100 and the federation said 20,000. Do you have any specific figures to assist the Committee before we conclude our inquiry?

Nick Herbert: No. I assume that you're talking about police officer numbers. I note that the Police Federation's estimate was half that that they gave before Christmas. The Government has never given a guarantee on police numbers and the previous Government wouldn't either. We don't directly control police numbers. We provide the funding for police forces. We can't, of course, guarantee police numbers. What we do want to ensure is that as police forces make savings they are prioritising spending on the front line, that we are sustaining an investment in neighbourhood policing. For the most part, we have sustained the investment in the neighbourhood policing fund so as to ensure that PCSOs can remain in place. It is that visible and available piece of policing that the public particularly value. I do not believe that that needs to diminish because of the spending settlement that we've instituted, provided that forces rigorously drive the savings that they can make.

Chair: Minister, we are most grateful. Thank you very much for coming in today.
