SUMMARY

Most of the spending of provincial police forces is financed from government grants, precepts on local authorities, borrowing, and capital receipts. A small but significant share comes from other sources of income such as rents, charges for special duties (e.g. inside football grounds) and charges to the Home Office and other forces for services supplied beyond normal duties.

Income from these sources is typically only 2.5 per cent of expenditure, and is often regarded as trivial. As a consequence, forces are overlooking potentially significant sources of income which could assist them at a time when they argue that they are under financial pressure.

The pattern of recharging for police services beyond the scope of normal duties is inconsistent across the country and even within forces. This results in an erratic pattern of subsidies to users of rechargeable police services. In particular, football benefits as a whole by well over £2 million a year, but some clubs are undercharged more than others. Other sporting events, pop festivals etc. are also undercharged for the resources which police forces put into protecting spectators at them.

In another area, Home Office guidance on calculation of charges for mutual support amongst forces significantly underestimates the true costs involved, so that police authorities donating aid are in effect systematically subsidising the recipients.

Confusion about charging policies combines with inadequacies in administration to deny substantial income to police forces. To resolve some of the uncertainties, clearer guidance from central bodies – whether the Home Office or the Association of Chief Police Officers – is needed.

It is important to improve the consistency of charging policies and to ensure that income is related to costs. Without greater consistency, the bodies paying the charges will lack confidence in the basis of their payments; this applies particularly to football clubs and was a problem referred to in the Taylor report on Hillsborough.

Just as importantly, if police resources are not charged at their true cost, the usage made of them may not be optimal. In the long run, this does not benefit either the police service or anyone else.
I N T R O D U C T I O N

1 The lion’s share of police revenue expenditure in England and Wales is funded by Home Office specific grants to police authorities at 51 per cent of net expenditure. Of the remainder, the bulk is financed by precepts on local authorities. Community charges raised by local authorities are offset in part by revenue support grants (RSG) from the DOE or Welsh Office. Attempts are made to distribute RSG in relation to the relative needs of local authorities and the police service is included in the calculations. The arrangements for financing provincial police forces in these ways, and their shortcomings, were described in detail in Police Paper Number 6.

2 But police forces also receive other income from a range of sources. CIPFA estimated that in 1989-90 the total of this other income to all provincial police forces was around £70 million, or 2.5 per cent of net expenditure. Not all is derived from outside sources additional to the police service – some represents transfers between forces – but the figure is an understatement of the income received, and it significantly understates the potential for income generation.

3 The main sources of this income are:
   i) other forces, for services such as mutual aid to police operations and training courses;
   ii) the government, for duties such as housing prisoners on remand;
   iii) private organisations, such as football clubs, for providing police cover at public events; and
   iv) firms and the general public for goods and services such as rents from temporarily surplus property.

4 Of the £70 million ‘miscellaneous income’, just under half comes from fees, charges and sales. Most of the rest is from other forces or regional police services (Exhibit 1).

5 This income is not spread evenly across all forces (Exhibit 2). There are some good reasons for variations. The presence of an airport may significantly increase demands for police spending which can be recharged. For geographical reasons, some forces are more likely to be called upon for mutual aid than others. Forces policing rural areas in general house fewer remand prisoners and spend less time policing football matches.

6 But these factors cannot fully account for the variations which are also seen in income expressed per police officer or per head of population (Exhibit 3). Income per police officer varies from under £300 to over £3,000 a year; and income per head of population from under 60 pence to almost £7 a year.

Exhibit 1
ESTIMATED BREAKDOWN OF MISCELLANEOUS POLICE INCOME
Miscellaneous fees and charges for private duty generate almost half of all police miscellaneous income ...

Exhibit 2
MISCELLANEOUS INCOME IN PROVINCIAL FORCES
Miscellaneous income varies from force to force ...

Exhibit 3
Income per police officer and per head of population varies significantly ...
These statistics suggest that there is scope for forces to increase their miscellaneous income. Research on how this might be achieved was undertaken last year and auditors are currently reviewing individual forces. This report is based on the original research and on information from the local audits now nearing completion in most police forces. In addition, consultations have been held with the Home Office, the Association of Chief Police Officers (ACPO) and HM Chief Inspector of Constabulary but, as always, responsibility for the contents rests with the Audit Commission alone.

**Exhibit 3**

VARIATION IN MISCELLANEOUS INCOME AMONGST FORCES

It varies considerably whether expressed as an amount per police officer ...

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8 A significant factor in explaining the wide variation in income between forces is the differences in charging policies adopted where there is local discretion. Another is uncertainty about the application of national guidelines where these exist. But one factor is that some forces are simply more alert than others to the opportunities for charging, and more efficient at administering their charging system.

9 Even though income is relatively small in aggregate and much comes from other parts of the public sector, it is important for police forces to satisfy themselves that their charging practices are consistent, defensible and properly controlled. This is so for four reasons.

10 First, even the modest sums involved are worth having. The incentives to raise income are not enhanced by the way that Home Office grant falls as net expenditure falls – so that only 49 per cent of additional income generated can be used by the force or the parent authority – but at a time when chief constables and police authorities argue that their resources are under pressure, every little helps.

11 Second, consistency and clarity in charging policy is an important element in maintaining confidence in the police service. Lord Justice Taylor’s report on the Hillsborough disaster argued for greater consistency in charging football clubs. In paragraph 210 he noted:

"In my view, a more consistent and businesslike approach should be made to such charges".

The Football Trust has also drawn public attention to the different practices in different forces and to the huge variations in the cost per spectator of policing activities at football league grounds (Exhibit 4 overleaf).

12 There are big differences across the country in the numbers of police officers sent to different fixtures. These variations may be partly attributed to operational judgements about the likely sensitivity of different fixtures played at different times, which the Commission would not wish to question.
13 But there are major inconsistencies also in the ways that attendance is charged. Police officers are charged out at different hourly rates, ranging in the current year from £18 to £26 per hour for a constable in forces studied by the Audit Commission so far. There are also variations in the assumptions about the lengths of duty which should be charged for, about charging for officers who move into grounds for part of their shifts, about whether to allow for overtime and rest day working rates, and on the administrative overheads to be applied. One football club is charged by its local force for the time of five constables and one sergeant at each normal game, but the normal police presence inside the ground is thirty-three officers, plus those who move inside from policing the outskirts once the match is in play.

14 Practices vary, but it appears that in many areas sporting events are in receipt of significant covert subsidies in the form of undercharging for private duty by police forces.

15 The third, and perhaps most important reason for reviewing charging procedures is that it is a matter of good practice to charge the full cost for resources. If police services are charged out at higher than their true cost, there may be a reluctance to call on them when their use is justified. Conversely, if they are charged out too cheaply, there may be waste involved in using expensive police resources when cheaper options could be as, or more, effective. This is equally true of cross-charging within the public sector, where resources should be 'transfer priced' correctly to ensure that resource allocations amongst different public services are transparent and correctly understood.

16 Fourth, there are important propriety issues involved. Police forces must ensure that their procedures for setting and levying charges and handling the income thereby generated are even-handed and above criticism.

17 There is in general considerable scope for increasing miscellaneous income without radically altering the force's policies on which sorts of services are charged for and which are not. A 25 per cent increase looks possible in many cases. In a few forces the potential is even greater.

18 There are, of course, some major issues of principle about the boundaries of private and public service. What should a police force be expected to provide free of charge as part of its normal public service, and what should it provide only if a charge for service is paid? These questions may come to the fore in discussion about the scope for privatisation of some areas of police functions, but it is not the purpose of this paper to address them. The Commission is concerned here with discrepancies in the ways in which charging policies are determined and administered within existing principles. As a matter of good housekeeping, most forces have much room for improvement.

19 The remainder of this paper highlights the areas in which greater consistency and clarity of treatment are most important; suggests some principles according to which police forces should levy charges and prescribes best practice in controlling income.

EXHIBIT 4
POLICING COST PER SPECTATOR
The cost per spectator of policing activities at first division grounds varies from 10 to over 40 pence.

Source: Police Charges 1988-9 — A Report by the Deputy Chairman of the Football Trust

13 But there are major inconsistencies also in the ways that attendance is charged. Police officers are charged out at different hourly rates, ranging in the current year from £18 to £26 per hour for a constable in forces studied by the Audit Commission so far. There are also variations in the assumptions about the lengths of duty which should be charged for, about charging for officers who move into grounds for part of their shifts, about whether to allow for overtime and rest day working rates, and on the administrative overheads to be applied. One football club is charged by its local force for the time of five constables and one sergeant at each normal game, but the normal police presence inside the ground is thirty-three officers, plus those who move inside from policing the outskirts once the match is in play.

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20 The various types of police income can be divided into three groups reflecting their relative importance (Exhibit 5). The same basic principles apply in each case. There should be:
- a clear charging policy, consistently applied;
- a sound basis for calculating the charges levied; and
- robust administrative arrangements.
SELECTING TYPES OF INCOME FOR REVIEW

Some types of income offer greater potential than others...

<table>
<thead>
<tr>
<th>High potential</th>
<th>Medium potential</th>
<th>Low potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendance at sporting and other events</td>
<td>Air operations</td>
<td>Rents from surplus properties</td>
</tr>
<tr>
<td>Housing prisoners (remand or convicted)</td>
<td>Canteens</td>
<td>Magistrates' courts</td>
</tr>
<tr>
<td>Mutual aid</td>
<td>Found property</td>
<td>Deportation of illegal immigrants</td>
</tr>
<tr>
<td>Training centres</td>
<td>Repair and maintenance</td>
<td>Fees and charges fixed by regulations or recommended by ACPO, e.g. registration of aliens, firearms certificates</td>
</tr>
</tbody>
</table>

POLICIES

21 It is important from the point of view of public confidence that police authorities should be seen to have clear charging policies. It is the responsibility of the authority itself to levy charges to outside bodies, so the chief constable needs to agree policies with the authority. In good practice forces, this process is undertaken annually.

22 Some types of charge are under the statutory control of the Home Office. This applies, for instance, where forces cannot agree upon charges for mutual operational aid. The Home Office also has some influence over charges for inter-force complaints investigations, and a circular codifying guidance on this is expected. But for the most part charging is wholly at the discretion of the police authority, as in the case of the recent ambulance dispute where police involvement and the charge for it was a matter to be determined locally. Section 15 of the Police Act 1964 allows for the provision at the chief constable's discretion of 'special police services' at any premises or in any locality in the force area subject to the payment of such charges as may be determined by the authority.

23 In many cases there is a need for more national guidance. Some of the most important instances are discussed below. Police authorities would still have discretion to depart from national guidelines, but they would be expected to have a clear rationale for doing so. It is doubtful, for example, whether a policy of not charging, or undercharging, for special duty at sporting events as a way of supporting the sport could satisfactorily provide such a rationale.

24 It is reasonably straightforward to calculate the direct costs of personnel deployed to special duties expressed as an hourly rate (Box 1 overleaf). As a basis for the calculation, the available hours per officer per year should be derived from average sickness, leave entitlements, and training abstractions. The special duty charge should include time spent by officers travelling to and from the event, and at any briefings which may be necessary beforehand. Charges should also be made for other resources, such as police horses where these are deployed, by marking up the cost of mounted officers appropriately.

25 To avoid excessive administration some simplifying assumptions may be made. Rather than chase details of the particular points on pay scales etc. of the individuals involved, finance sections may use averages for each rank based on data for the whole force.

26 Specialist support personnel, including civilians where deployed, should be charged on the same basis, and in addition a factor for the costs of general administration should be applied. To avoid double counting, the methodology in the Box should be followed to derive this 'mark-up' rate.

27 There is some confusion amongst forces concerning the appropriate treatment of overtime and rest-day pay rates in calculations of special duty charges. In theory, officers should work outside their rostered hours only in response to demands which were unforeseen when duty rosters were drawn up. Since rosters are drawn up a year or more in advance under Police Regulations, many events
CALCULATION OF CHARGE-OUT RATES

1 CALCULATE ANNUAL COSTS FOR EACH RANK CHARGED OUT

E.g. for police constable:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take annual basic pay e.g.</td>
<td>£14,961 (a)</td>
</tr>
<tr>
<td>Gross up for overtime etc.</td>
<td>£7,481 (b)</td>
</tr>
<tr>
<td>Add housing allowance e.g.</td>
<td>£3,447 (c)</td>
</tr>
<tr>
<td>Add cost of uniform e.g.</td>
<td>£215 (c)</td>
</tr>
<tr>
<td>Add employer's NI</td>
<td>£2,728 (d)</td>
</tr>
<tr>
<td>Add pension costs</td>
<td>£4,500 (e)</td>
</tr>
</tbody>
</table>

ANNUAL COST: £33,332

(a): May use standard assumption, e.g. sixth point on pay scale; (b): derive assumption for grossing-up to reflect overtime and rest-day working by assessing average amounts of duty done at these rates at special events of the type involved; (c): forces should use their own rates; (d): calculate on the basis of foregoing assumptions; (e): typically 30 per cent of salary.

2 CALCULATE ANNUAL HOURS

Basic hours are 40 per week, 52.14 weeks per year, equal to 2086 hours per year.
Subtract average leave, sickness and training abstraction for rank involved to derive available hours per year, e.g. 1740.

3 CALCULATE BASIC HOURLY RATE

E.g. £33,332/1740 gives basic hourly rate of £19.16.

4 ADD ADMINISTRATION CHARGE

From total gross revenue expenditure of force, subtract the costs of operational officers in the ranks charged out (including civilians such as scenes of crimes officers and traffic wardens); horses, dogs, transport etc. (Do not subtract costs of senior ranks which are not charged out, or civilians engaged in administrative support, or police officers engaged in training, management services etc.). Express the net figure resulting as a percentage of total subtracted costs, e.g. 25 per cent. This represents the administration percentage. Mark up the basic hourly rate by the administration percentage: £19.16 times 1.25 gives £23.95.

5 CALCULATE CHARGE FOR HOURS OF DUTY

Include travelling time to and from the event and at briefings beforehand. E.g. 10 constables for 4 hours; and 20 constables for 2 hours. Total charge for constables in attendance is 80 hours at £23.95 per hour, giving £1916. Repeat the calculation for each rank and civilians, in each case applying the administration percentage calculated in 4 above. Mark up costs of dog-handlers and mounted officers to reflect the extra costs of dogs and horses.

E.g. Total cost for hours of duty: £2,600.

6 ADD TRANSPORT COSTS

Add average allowance for costs of transport provided at event, e.g. £1.50 per officer; e.g. 45 officers, giving total transport charge of £67.50.

7 TOTAL CHARGED OUT:

E.g. £2,667.50.

which can be predicted, but not precisely, or which can be predicted precisely some months in advance, will still be 'unforeseen' for this purpose. It is in the nature of special duties and particularly the policing of football matches, that they will largely be undertaken using overtime. The attendance at league matches will vary during a season and matches will be rescheduled, while FA Cup matches cannot be foreseen a long way ahead. The policing of football matches may also require a large number of officers to be assembled for less time than an 8 hour shift.

28 The Box does not attempt to provide exhaustive guidance. The recommended methodology is not a perfect reflection of actual costs but it should generate a reasonable working approximation in most cases. It illustrates principles around which national guidance could be constructed, within which police authorities could set charges reflecting their own costs.

29 In dealing with mutual aid from one force to another, it may be appropriate, where staff time and therefore the sums involved are small, to avoid unrewarding administration by operating a 'knock for knock' arrangement – but where this applies it should be kept under review to ensure that the community charge payers in one force area do not over time come to assume a disproportionate burden. It will not generally be satisfactory where the financial implications are large. Some forces are net donors of mutual aid, and carry out more inter-force investigations than they initiate. These activities can be very expensive. There are now at least twelve large scale exercises underway which alone are costing an estimated £25 million a year.
30 It is important that, when police services are provided to another force or a private organisation, agreement is reached in advance about the level of resources to be provided and the charges associated with them. There will of course always be emergencies where this is impractical, and specific cases where the supplying force must retain some discretion over the resources to be deployed, but for the bulk of the policing involved a formal agreement can and should be settled beforehand. One force providing services costing several million pounds a year to a private undertaking has yet to secure a formal basis for them.

Informalities of this sort may appear to be merely the expression of a good working relationship but disputes are not unknown in the best of business relationships, even between different forces, and it is usually the supplier who comes off worse when they do occur.

31 The finance section of the force will need to hold adequate information on which to base charges. It should, for example, know the numbers and types of officers actually deployed to sporting events as well as the planned deployment on which agreement with the promoter was based. It should be involved in discussions about setting charges for special or private duty, and the terms of agreements about them, to ensure that costs are adequately reflected.

32 The finance section should have daily returns of remand prisoners housed by the force as a basis for charging. Auditors have found that this is not always done. Accurate records of trainees from other forces attending training in the force are also needed.

33 There should be prompt processing of requests for payment. In one force, organisers of a race meeting which occurred on 2 May did not receive an invoice for the policing costs until 8 August. In another force, charges for duty at a football match were not raised until 102 days after the event. Auditors found that in one force, large debtor bills were sent out an average of nine weeks after services had been provided. Shortening this delay even to four weeks could have saved an estimated £93,000 in interest costs.

34 There should also be a system for tracking payment of the invoices. Auditors have found a number of cases where bad debts have accumulated from persons or organisations continuing to use police services, but although the force could have withdrawn the services it was unaware of the position until the debts were about to be written off. The police authority may be responsible for pursuing the debts, but it should keep the finance branch of the force informed of its progress.

35 Auditors have found that in one force covering four football clubs, one was in arrears of almost £3,000, and another owed over £3,000, some of which related to invoices over seven months old. In another force the time which clubs took to settle invoices was found to range from 31 days to 86 days. And in another force, £123,000 was owed by one debtor for special duties.

36 It is vital, too, that income received is shown as such in the accounts. It has been the practice in some places to net it off an item of expenditure, such as police overtime. This is bad practice which will make it difficult to assess the income forces receive and the potential for increasing it. It will also give a misleading picture of expenditure in the force on the items against which income is being netted-off. Overtime costs, for instance, are important to senior managers as an indicator of the efficiency with which resources are deployed and the extent of unpredicted demands on police time. In one force studied, total income had been understated in one year by one third by netting off against expenditure heads.

37 Forces should satisfy themselves that their own practices are consistent with these principles in all areas of charging. Particular issues arise in relation to each of the 'high potential' areas. They are discussed below.

38 The costs to forces of policing sporting and other events can be considerable. This does not apply only to the metropolitan forces with large and potentially troublesome football
crowds. One county force devotes over 30 man years of officers’ time annually to one football league club, a race meeting, and an annual pop festival, at an annual cost approaching £1 million. Only one tenth of these costs are recovered through charges on the promoters.

39 The most significant of sporting events in terms of police commitments are football matches. Police forces are usually considered responsible for maintaining order on public property surrounding football venues at their own expense. Inside, the cost should be met by the owner of the venue or the promoter.

40 An estimated 230,000 spells of duty (usually of four, but sometimes three or five hours) were required in one recent year to police football matches, both inside and outside the grounds. This was equivalent (allowing for normal rates of leave, training, sickness etc.) to a full time commitment by some 550 police officers. The cost was around £22 million.

41 About 70 per cent of this duty, or about 400 full-time equivalents, was incurred outside London in the areas of the provincial police authorities which are the subject of this paper. This was equivalent to an average of ten police officer posts in each provincial force. Whilst this might not seem a great strain, it must be seen in the context of other demands on police time and the ability of forces to make officers available for them. A force with a complement of 2,000 officers, for instance, may have difficulty keeping 100 uniformed officers on patrol at any one time. The impact of football matches on police resources is in practice much greater than this simple comparison suggests, because the workload involved is not evenly spread. It tends to concentrate in a few hours at weekends at certain times of the year when other demands may also peak, and ‘gearing up’ to meet this intense demand usually involves expensive payments of overtime to the officers involved as well as denuding other activities of cover.

42 Controlling large crowds on their way to, and back from, football matches is a heavy burden on the average provincial force. But particular considerations of crowd safety arise inside venues. Compliance with licensing regulations under the Safety of Sports Grounds Act 1975 may require the attendance of police officers at matches. Section 2 of the Act requires license holders to arrange for the attendance at specified activities of as many police officers within the ground as the chief constable ‘considers adequate to secure the orderly and lawful behaviour of spectators’, and to pay for the expense. Clubs can recover 35 per cent of the costs from the pools-funded Football Trust.

‘The total annual subsidy to football must be well over £2 million . . .’

43 Sample data indicates that on average at least 30 per cent of the officers deployed are recorded as being inside the grounds themselves. If this were the basis of charges to football clubs, then in one recent year there would have been an income of close to £5 million to the forces audited by the Commission against actual receipts of under £3.5 million.

44 These figures understate the degree of subsidy which current charging practices confer on the sport, because forces often only count officers deployed continuously within the ground during their spell of duty as being ‘in the ground’, and exclude those who move inside once crowds have cleared the gates; they often deploy expensive resources other than police officers; and they often do not charge for policing on the club’s property outside the gates. The total annual subsidy to football must be well over £2 million, especially as the figures above pre-date the Hillsborough disaster and police responses to its lessons. The Commission’s auditors have estimated that one provincial force alone undercharged football clubs in its area by £946,000 in the 1989-90 season.

45 Chief constables have discretion about the numbers of officers deployed, and an important influence on their judgement must be the quality of the measures taken by clubs themselves – to provide their own stewards; to segregate opposing supporters; to improve the internal layout of spectator areas and means of access to them; and to identify and exclude persistent troublemakers.

46 In practice there is a wide variation in the level of policing at Football League games (Exhibit 6). This applies across and within league divisions. Some of this may reflect differing operational judgements about the police presence needed at similar events. An ACPO subcommittee under the chairmanship of the Chief Constable of Greater Manchester is considering
Exhibit 6
POLICING AT FOOTBALL MATCHES
The number of spectators per officer can vary from 20 at one game to 320 at another...

Source: Survey published by the Independent Newspaper, 16 January 1988

guidance to local commanders on the assessment of operational risk factors. This is welcome. Whilst responsibility for operational judgements must rest with the chief constable of the area, consistency in those judgements should be a corollary to consistency in the charge rates levied.

47 Some variation in levels of deployment will always be justified by factors such as the nature of the fixture and the size and composition of the expected crowd. But there will also be some variation to reflect the adequacy of measures which clubs take themselves to provide for crowd safety and to reduce the threat of hooliganism. Clubs should not be encouraged to rely on police forces for safety at their events any more than is necessary or is economic taking into account the costs of the police deployments.

48 It is important, therefore, that clubs are charged the proper price for the special duty which police officers do at their fixtures, in accordance with the principles set out above. The ACPO subcommittee has been considering national guidance on rates of charging, to replace the recommendations of regional ACPO associations, which are patchily applied. One force studied was found to have adopted the recommended scale of charges but applied it only in respect of junior officers. The Home Office is also preparing national guidance. These initiatives are welcome.

49 In one force, the basis of the charge rate has not been reviewed since 1983, and some elements in the calculation have been applied mechanistically since then to take account of police pay increases. The hourly rate for a constable charged by a neighbouring force is over one third higher.

50 In addition to charging the right rate per officer per hour, forces must also ensure that the right number of officers and the right amounts of their time are charged out. There is surely no justification for the discrepancies which can be observed amongst the numbers of officers notionally deployed, actually deployed, and charged for at particular fixtures.

51 The Commission has found an example in one force where 101 officers were deployed and seven were charged-for. Exhibit 7 shows the actual resources deployed, compared with those charged for, at matches policed by one division of another provincial force in the 1989 season. In the case of one match in a third force a check on officers deployed inside the ground re-
revealed that seventeen of them had not been charged out at all. Even allowing for their spending only a part of their duty inside the ground, income of £800 had been foregone from that one fixture alone.

52 Charging for special duties should not be confined to uniformed police officers alone when other resources are deployed to support them. In one force, the Finance Branch had a list of recommended charges for vehicles, horses, dogs etc. but it was only raising charges for police officers. The local operational commander responsible for reporting deployments was unaware that there was a policy of charging for these other resources, and was therefore not reporting their use. In another force, no charges were raised for the special enquiry unit officers and members of a (civilian) technical support unit which attended matches.

53 Whilst the most significant, football is not the only sport where there are discrepancies in the bases for charging which are adopted. Police forces do not attempt to recover the full costs of policing heavily sponsored pedal cycle races. One force policing an annual motor-cycle race meeting does not charge out enough even to pay for the costs of the meals of the officers on duty. In the case of one pop festival, only 4 per cent of policing costs are recovered. These deficiencies are hard to defend.

HOUSING REMAND AND CONVICTED PRISONERS

54 The second area of high importance for police forces is the housing of remand and convicted prisoners. Police cells have been used extensively in recent years to house both prisoners on remand and those already convicted, because of prison overcrowding, industrial action in the prison service and prison riots.

55 The average daily charge per prisoner varies widely from force to force. In those surveyed by the Commission so far the daily charge ranges from £75 to £213, with an average of £150 (Exhibit 8). In one force there are three different rates, depending on the police division involved. In another force the average daily charge fluctuated over a period of two years for no apparent reason. There will be some local variations in costs, but the ranges revealed by the Commission’s study can only be explained by inconsistencies in the bases for charging.

56 In a third force, each of its divisions was making its own policy on charging the Home Office for housing of remand or convicted prisoners. Some divisions charged for prisoners’ meals; others did not. With the exception of a major operation to deal with the consequences of prison officer industrial action, none charged for the police manpower involved, on the basis that it was ‘negligible’. The Commission’s auditors have calculated that about £250,000 of income to the force may have been foregone in this way in one year alone.

57 Forces also incur costs transferring prisoners both from prison to prison and from prison to police cells, as well as between police cells and courts. The bases for charging are complex, depending on whether the court is a Crown Court or magistrates’ and on whether the prisoner is on remand.

58 In routine cases, the transport of remand prisoners held in prison to and from a magistrates’ court is the responsibility of the Prison Service, which they may discharge by intermediate delivery to a nearby police station. The police are then responsible for guarding them at the court and if necessary returning them to prison. ‘Production’
prisoners – needed in court in relation to some matter other than that for which they are imprisoned – are the responsibility of the Prison Service throughout their time at the court and on the journey to and fro.

59 Escorts to and from Crown Courts and the guarding of prisoners there are the responsibility of the Prison Service, although police escorts may be involved for prisoners judged a high security risk. (The movement of a single category A prisoner may involve a police escort costing up to £2,000.)

60 The scope for confusion is obviously considerable when not all of these prisoners are being housed by the Prison Service in the first place. Even where they are, there are different practices. Often, the local police force will collect prisoners for court appearances directly from the prison, and some forces have agreements to charge for this service. Others do not. Some forces also handle production prisoners on behalf of the Prison Service and do not charge for doing so.

61 The Home Office has announced plans for new legislation which would allow the running of remand centres and prisoner escort duties to be put out to tender. This may reduce the police role in prisoner transport. In the meantime, it should be possible for the Home Office to give quick guidance on what police forces should be expected to undertake as normal duties in this area, and what they might recharge to the Prison Service. There is an urgent need for clarification.

**MUTUAL AID**

62 Forces may provide ‘mutual aid’ to each other. The power to do so is given under Section 14 (10) of the Police Act and the Home Secretary may direct that it takes place under Section 14 (2). There are three types of aid:

- operational assistance from Police Support Units (PSUs). A PSU is a standard tactical unit of police officers consisting of one inspector, two sergeants, and twenty constables. Support is normally organised into PSUs when mutual aid is given e.g. for major public order operations which would overtax the resources of the force in whose area the event concerned was taking place;

- specialist aid such as underwater search teams, mounted sections, dogs, firearms etc. For instance, only nine forces out of 41 outside London have their own police horses;

- non-PSU miscellaneous support.

63 The financial arrangements for mutual aid are set out in Home Office circular 38/89, which provides a basis for calculation of charges for each type of aid. Forces usually agree between themselves on the resources to be made available and the rate at which they will be recharged; but if they fail to agree, the Home Secretary may impose a settlement.

64 Forces should operate within the terms of the circular and ensure that they keep records of, and charge for, all the resources they put at the disposal of another force. For instance, costs should be recovered for PSUs placed on standby at the request of another force, but not actually called up.

65 The charging rates specified in the circular should, however, be reviewed by the Home Office. For officers below the rank of superintendent, the circular provides a standard scale of charges which may result in significant under-recoveries.

66 For instance, a constable on mutual aid would be recharged at an hourly rate of under £10, which will be below the rate suggested by the methodology at paragraphs 24 to 29 above because:

- it excludes housing allowance, pension contributions, employer’s National Insurance, and costs of uniforms;

- it spreads the annual costs of officers over a full year of 52 weeks of 40 hours, making no allowances for abstraction for sickness, training, leave and so on; and

- it makes no specific allowances for overtime or rest day rates of pay.

- It includes a ‘mark-up’ factor of 40 per cent to compensate for these omissions, but this is not adequate. It also includes a ‘mark up’ of 5 per cent to cover administrative overheads, which is well below the usual on-cost observed.

‘Police authorities donating aid under these provisions are likely to be subsidising the recipients. . .’

67 The prescribed rate is therefore well below the true costs of the resources which it covers, which in the case of a constable may exceed £20 per hour – over twice as much – and as a consequence police authorities donating aid under these provisions are likely to be
subsidiising the recipients. For this reason some forces use the recommended calculations only for emergency aid at short notice and reach agreements for charging actual costs where longer notice is given.

68 The use of a more realistic recharge rate in Home Office guidance should be helpful, particularly as some forces fall back on the prescribed methodology as 'good practice' in calculating recharges for support to other forces which is not technically 'mutual aid' under the terms of the circular. Where forces use their own methodologies for calculating charges, for example for personnel supplied to investigate complaints into other forces, the results are unlikely to be more consistently satisfactory than in the case of special duty rates as discussed above.

69 There seems to be no reason why all support to other forces should not be costed and recharged on the basis of the methodology described for special duty at paragraphs 24 et seq. above.

TRAINING SCHOOLS

70 In its Police Paper No 4, the Audit Commission drew attention to the prevalence of spare capacity in training schools owned and managed by provincial police forces. The paper also argued that the training school should act as a contractor to the force, which should determine the training budget and priorities and define training needs.

71 It is consistent with this approach that the charging policy should be left to the school, working to an overall rate of return set by the force. This rate of return should be based on its account, a knowledge of the fixed and variable costs associated with each course and the projected utilisation rates of all its resources. Since April 1990 all forces in England and Wales have started to collect information on training costs on a consistent basis promulgated by the Police Training Council. This is welcome.

72 There are opportunities for police training schools to make more efficient use of spare capacity and obtain additional income, mainly by taking external students from other forces and public bodies and charging for course fees, meals and accommodation. But the schools can also be used within limits by other bodies for conferences, seminars, interview programmes, examinations and so on. The capacity of the college should be related to the force's own needs, and the scale of the operation reasonable, but surplus capacity which arises from time to time can be hired out.

73 In hiring out its space in these ways, the force should be covering at least all the marginal costs incurred – that is, the extra costs imposed by hosting an event, above the costs which would have been borne anyway. Usually it should be able to charge more, and it should be aware of market rates. Plainly it should not be selling capacity externally for less than the total marginal costs involved, even if this may mean some underutilisation of capacity: to do so would be to deliver a covert subsidy to the external bodies involved which is not only bad for the business of analysing and controlling costs and income, but is also a curious use of police resources at a time when the service is under other pressures.

OTHER SOURCES OF INCOME

74 Similar principles apply to other sources of income listed in Box 2. In all cases, significant variations are found from force to force. It is important to identify the underlying reasons for these variances: for instance a force receiving a large income from surplus property by letting at market rates may

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Box 2
SOURCES OF INCOME AND GUIDELINES (excluding high potential areas)

<table>
<thead>
<tr>
<th>Source</th>
<th>Rate/Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air operations</td>
<td>£500 per flying hour</td>
</tr>
<tr>
<td>Canteens</td>
<td>5% rate of return, assuming in-house catering service</td>
</tr>
<tr>
<td>Found property</td>
<td>£20 income per 1000 population</td>
</tr>
<tr>
<td>Repair and maintenance of vehicles</td>
<td>Labour rate of at least £13 per hour</td>
</tr>
<tr>
<td>Secondment to regional services</td>
<td>Full cost recharging</td>
</tr>
<tr>
<td>Rents from surplus properties</td>
<td>Let at market rates</td>
</tr>
<tr>
<td>Magistrates’ courts</td>
<td>Sound formula for apportioning costs</td>
</tr>
<tr>
<td>Deportation of illegal immigrants</td>
<td>Are all eligible expenses reclaimed?</td>
</tr>
<tr>
<td>Fees &amp; charges fixed by regulations or recommended by ACPO</td>
<td>Satisfactory administrative arrangements</td>
</tr>
</tbody>
</table>

Source: Data obtained from forces visited
```
be considered better managed than a force with surplus property which is not let out or which is let out too cheaply. But a force which has no surplus property may be exhibiting better management than both.

75 Only a handful of non-metropolitan forces were in the habit of charging for execution of magistrates’ courts’ warrants. In recent years those forces which were charging were each raising income of up to £250,000 a year from the practice. Most forces were not bothering. (Earlier this year the Home Office altered rules on payments of grant – and it is now less attractive).

76 There are many areas in which forces should keep charges under review and regularly discuss possible changes in policy with the police authority. An example is escorting of abnormal loads on roads. National guidelines may be produced by ACPO, but in the meantime there is variation between forces in the criteria used to determine whether a load requires escort. If a load does not meet the force’s criteria, it may charge for providing an escort if the haulier still requests one. In one force, many abnormal loads fall just within the criteria for escort (in terms of vehicle width, length and weight) and a small change in policy could reduce by half the number of escorts provided as part of normal duty. However, the primary considerations in this sort of case should be operational, and care would be needed to ensure that hauliers did not simply refuse special duty escorts with unacceptable consequences for traffic disruption.

77 Where national guidelines exist, the presumption should be that forces and police authorities will follow them unless there are sound reasons not to. In other areas it is possible to derive indicators, such as those in Box 2, which are not fixed standards of good practice but which are triggers for reviewing policies and practices where lower performance is observed.

C O N C L U S I O N

78 In most of the areas in which the Commission has identified opportunities for greater cost recovery, the action needed is within the power of the force and the local police authority themselves. Some are more conscious of the scope for raising income than others.

79 The sums at stake are not great in relation to total police expenditure. And more attention to recharging amongst forces would involve higher payments in some cases as well as higher income. But:

- though relatively small, the sums involved are still substantial in absolute terms and particularly so at a time when the police service complains of financial strictures; and

- failure to attend to recharging at economic cost, where it occurs, usually seems to be symptomatic of a lack of management information about the activities of the force and the lack of a businesslike attitude to their organisation.

80 There are two particular areas where there is a clear case for greater central coordination and for clearer national guidelines:

- charging for sporting events; and

- prisoner handling.

81 The Commission welcomes the work of the ACPO subcommittee on the first point. On the second there is a case for the Home Office to take the lead in providing clarification, ahead of its plans for new legislation.

‘A debate about the boundaries of the core public role of police forces should be valuable.’

82 In the longer term, ACPO, police authorities and the Home Office should together reconsider and clarify the boundaries between normal police duties and rechargeable services. It is particularly important to do so if rechargeable services are to be put, as they should be, on a businesslike footing. In part the variations in charging practice across the country may reflect caution on the part of some chief officers and police authorities in the absence of a clear consensus.

83 It must be right to provide basic emergency services for free, including response to well intentioned 999 calls. But a badly installed automatic burglar alarm imposing a heavy burden on scarce policing resources raises different considerations. Should police forces provide a catch-all service backstopping every other agency, or should they be more discriminating about the kinds of non-urgent assistance which they render? Again, patrol of high streets is clearly a police function, but are different issues raised by private retail parks, shopping malls and private residential roads?

84 A debate about the boundaries of
the core public role of police forces should be valuable, not least in defining the long term functions of the service at a time when its structure, and the scope for contracting out areas of law and order services, are increasingly under discussion.