

3 January 2023

Home Office
2 Marsham Street
London, SW1P 4DF

policeresourcespolicy@homeoffice.gov.uk

Dear Sir/Madam,

BUSINESS CRIME IN LONDON AND THE PROVISIONAL POLICE GRANT REPORT (ENGLAND AND WALES) 2023-24

On behalf of the London Chamber of Commerce and Industry (LCCI), may we request that the Home Office reconsiders the funding formula it has adopted for the Metropolitan Police and the City of London Police

The LCCI is the capital's largest independent networking and business support organisation. We represent the interests of London businesses, enabling them to collaborate, creating thousands of connections and offering our members a comprehensive range of business services to see them prosper.

Our concern is that the funding allocations for policing will not meet the needs of London. This is particularly pertinent for London's businesses. The capital contributes over 20% towards UK GDP and this is due to the entrepreneurialism of London's business community. From manufacturing to financial services and from hospitality and the arts to science and professional services, the range and quality of London's nearly 900,000 businesses is second to none.

Therefore, the rise in business crime across London, which comes on top of the costs facing businesses such as energy prices and the impact of the pandemic, is having a direct negative impact on London's economic growth which, in turn, has a knock-on impact on the national economy as a direct consequence.

The new Metropolitan Police Commissioner, Sir Mark Rowley, has made some good initial steps to reduce crime. Superintendents have been introduced for each London borough. There have been some good initiatives, such as in Hayes, where the PCSO and local officers are based in a local church on the High Street so that the police can be in regular contact with local businesses.

Despite this early good work from the new Commissioner, the Metropolitan Police has recorded a month on month rise in business crime from February 2020 with boroughs such as Westminster, Camden, Southwark, Newham, Lambeth and Islington, amongst others, being badly affected by business crime such as theft and handling and violence against the person. In respect of the City of London, the overall crime rate in City of London in 2021 was 665 crimes per 1,000 people. This compares poorly to London's overall crime rate, coming in 667% higher than the London rate of 87 per 1,000 residents.

We recognise and support the national roles of the Metropolitan Police and the City of London Police whether in terms of addressing terrorism or fraud and cybercrime. This a recognition not just of the expertise of officers in these two forces but also of the role of London in the national life of the country, particularly in respect of the economy.

Therefore, we are very concerned that despite business crime rising and the specialism of these forces to tackle business crime, the formula does not keep up with inflation which has led to fears of a real terms reduction in fighting business crime. Effectively, across England and Wales, we are witnessing a 3.6% cash increase on the current year, well below the rate of inflation which remains above 10%.

The funding formula also needs to address population density and demand for policing. We have become aware that the Home Office itself recognises the need for this formula to change. According to media reports of 18 December 2022, the Home Office stated that the formula was *“out of date and no longer accurately reflects demand on policing. The way forces are funded is being reviewed to ensure that it fairly and transparently distributes the circa £8.6 billion of annual core grant funding to the 43 police forces in England and Wales”*.

We support the Home Office in reviewing this funding formula whilst at the same time urging the Government to reconsider its funding allocations for the financial year ahead.

London is recovering from the pandemic and is resilient in the face of cost pressures caused by Putin’s aggression in Ukraine. For some businesses, the impact of business crime can be a step too far when examining day to day issues such as insurance premiums and monitoring P&L accounts.

Therefore, whilst a strategic approach is needed for the future funding formula to be fit for purpose, we need action for the coming financial year as well so that London businesses do not fall victim to an emerging new cost pressure – business crime.

Yours sincerely



Richard Burge
Chief Executive