The funding of the Police is divided into two broad streams: revenue and capital funding. The revenue funding stream relates broadly to the day-to-day running costs of the Force, that is the payment and management of staff, the ongoing costs relating to running and maintaining buildings and equipment and repayment of loans used to fund capital projects. The capital funding stream relates to the provision of additional buildings, information technology, vehicles, equipment and other infrastructure items required to both sustain existing policing services and address increased pressures and requirements placed on the Force as a consequence of growth in demand in services.

Funding received by the Police via the Council Tax precept is used primarily for revenue purposes and is not generally directed towards capital projects/programmes on the basis that directing funds towards such projects would diminish that available for delivery of the policing service. It is part of the remit of the Police Authority to allocate funding as considered appropriate to achieve the objective of providing an efficient and effective Police service. However, the pressure on revenue funding is such that it is extremely unlikely it could be made available to finance capital projects of any significance: in practical terms the revenue budget is insufficient to fund infrastructure projects. In terms of proportional contributions an average of 25% of revenue funding is derived from Council Taxes, with the balance of revenue funding coming from the Revenue Support Grant, Police Grant and the National Non Domestic Rates (NNDR) pool.

It should also be noted that even with revenue raised from the Council Tax precept there has been a recognised funding gap created by inflation and a continuing expansion of the role of the Police service and the demands placed upon it. While there has been investment from central Government, this is often ring-fenced for particular initiatives and has not kept up with the demand for services. This means that Police Authorities need an increase of over 5% annually from the Council Tax precept simply to "stand still" in terms of service provision. Given the current economic climate it is likely the cap on Council Tax will be lowered. Therefore the funding gap is likely to increase, with less money for revenue spending, let alone for capital projects.