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**REPORT TO:** British Transport Police Authority  
**DATE:** 12 March 2009  
**SUBJECT:** Revenue Budget and Capital Programme 2008/09  
Monitoring at Period 11 (30 January 2009)  
**SPONSOR:** Chief Constable  
**AUTHOR:** Director of Finance and Corporate Services

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**1. PURPOSE OF REPORT**

- 1.1 This report provides an overview of the position on the revenue budget and capital programme as at Period 11 – ending 30 January 2009.
- 1.2 The forecast outturn on the revenue budget indicates, at this stage, an underspend of £1.6m, primarily the result of additional one-off income – a similar position to that reported to the Authority at its last meeting when it considered the period 10 forecast.
- 1.3 Expenditure on the capital programme is now at a level where it is expected that spend will be very close to the £11.0m target. Monitoring is now taking place on a weekly basis.

**2. REVENUE BUDGET**

- 2.1 Appendix A summarises the year to date and forecast outturn by Departments and Areas and indicates that the year to date position shows an underspend against profile of just over £4m and a forecast outturn of £1.6m underspent.
- 2.2 The position as shown in Appendix A has been reviewed as part of the normal process and by the Force's Programme Board. The underspend against profile (£4m) for the year to date figures is as a result of a number of larger payments in respect of IT, premises and supplies and services not falling into the period expected – and this will not impact on the overall forecast for the year. However, what it does highlight is that improvements must be made in



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the way that profiles are calculated and work is underway to ensure more meaningful profiles for 2009/10.

**Analysis by FHQ and Areas**

- 2.3 The year to date underspend on the DCC's budget (2.8%) is due to spending behind profile in the Technology budget. It is expected that net expenditure will be close to budget at year end.
- 2.4 ACC (Operations) budget is showing an underspend of £390,000 (2.5%) at the end of Period 11. This is the result of timing differences between the profiling of budgets designated for football policing (and other operational imperatives) and policing activity. It is expected that this budget will be spent by the end of the year.
- 2.5 The reasons for the overspend on the Crime budget were reported in detail to the last meeting of the Authority. Period 11 shows a small improvement in the position but there is still a forecast overspend of over £0.5m. As part of the development of the 2009/10 budget it is recognised that provision needs to be made to reflect the increased activity in this budget.
- 2.6 The Director of HR's budget shows an underspend at the end of Period 11 £269,000 or 2.6%) and this is because of delayed spend on a number of activities. The forecast overspend of £82,000 reflects additional recruitment activity.
- 2.7 The budget line described in Appendix A as "Director of Finance and Corporate Services" includes a number of corporate budgets (such as capital charges, undesignated income and budgets not yet fully allocated). The net underspend of £2.8m year to date and £2.3m forecast outturn is mainly made up of one-off additional income from CTRL and VAT recovered.
- 2.8 The London Underground Area net overspend to date is due to the balance of amounts due from LUL not recovered at the end of the period. All sums due from LUL will be received by year end.



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- 2.9 As set out in the Chief Constable's report on the budget for 2009/10, it is proposed that the forecast underspend of £1.6m will be used to mitigate anticipated budget pressures in future years.

**Subjective Analysis**

- 2.10 Appendix B shows the revenue budget by subjective headings.
- 2.11 Staff costs show spend very close to profile at the end of Period 11 and a small overspend of £1.9m (1.2%) forecast at year end. The devolved budget arrangements mean that budget holders are free to meet resource gaps caused by vacancies by overtime or the employment of temporary staff and also to employ additional resources to meet the requirements for enhanced PSAs for which income is received.
- 2.12 The premises budget shows an underspend year to date (£470,000 or 4.4%) and this is largely due to maintenance works being slightly behind the expected profile and some other savings in building running costs. It is expected that the outturn spend will show a small saving (less than 1%).
- 2.13 The Communications and Computers budget shows an underspend against profile year to date (£492,000 or 6.4%) largely due to a number of larger payments not falling in the period expected. The forecast outturn overspend (£737,000 or 8.2% - an improvement on the period 10 forecast) is due to additional PNC and communication charges, and development of various systems.
- 2.14 The overspend in the Transport budget both year to date (£252,000 or 5.9%) and forecast outturn (£309,000 or 6.1%) is accounted for by additional fuel costs in the middle of the year and higher travel costs throughout the year due to operational requirements.



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- 2.15 Supplies and Services covers a very wide range of expenditure items and is therefore difficult to profile. However, the trend is an underspend of around 4% and this reflects budget holders freedom to spend elements of this budget on other items.
- 2.16 Capital charges are over profile by £334,000 (4.7%) due to some early transactions in preparation for end of year accounts. This is purely a timing issue and the forecast outturn is on target.
- 2.17 Additional income becomes available during the year as a result of enhanced PSAs, other recharges for services (such as the prior year income in respect of CTRL at £1.5m) and in-year grants from a variety of sources to fund particular expenditure. This is reflected in both the year to date and forecast outturn positions.

**3. CAPITAL PROGRAMME**

- 3.1 Appendix C sets out a summarised position on the capital programme as at period 11. This shows that, at the end of January, spend is behind the profile anticipated from the reshaped programme. To ensure that expenditure on those schemes covered by the DfT grant spend to target, weekly monitoring is taking place.
- 3.2 Since period 11, actual expenditure has increased to £7.2m with in excess of £2m awaiting payment. This provides comfort that the programme target will be met by year end.

**4. RECOMMENDATION**

- 4.1 It is recommended that the Authority note the position on the revenue budget and capital programme.



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## Appendix A

<b>Revenue Budget 2008/09 - Position as at end of Period 11</b>									
<b>Analysis by FHQ and Areas</b>	<b>Year to Date</b>				<b>Full Year Forecast</b>				
	Budget	Actual	Variance [figures in brackets indicate an overspend]		Budget	Forecast	Variance [figures in brackets indicate an overspend]		Report Paragraph Number
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>%</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>%</u>	
<b>FHQ</b>									
DCC	12,731	12,376	355	2.79	15,270	15,250	20	0.13	2.3
ACC (Operations)	15,364	14,974	390	2.54	18,684	18,683	1	0.01	2.4
ACC (Crime)	12,731	13,306	(575)	(4.52)	15,733	16,244	(511)	(3.25)	2.5
ACC (London and the Olympics)	507	456	51	10.06	592	592	0	0.00	
Director of HR	10,433	10,164	269	2.58	12,957	13,039	(82)	(0.63)	2.6
Director of Finance and Corporate Services	17,109	14,257	2,852	16.67	21,799	19,532	2,267	10.40	2.7
Frontlinefirst	1,348	1,199	149	11.05	1,882	1,882	0	0.00	
<b>Total FHQ</b>	<b>70,223</b>	<b>66,732</b>	<b>3,491</b>	<b>4.97</b>	<b>86,917</b>	<b>85,222</b>	<b>1,695</b>	<b>1.95</b>	
London North	17,888	16,969	919	5.14	21,735	21,735	0	0.00	
London South	20,479	20,313	166	0.81	25,074	25,037	37	0.15	
London Underground	0	616	(616)		0	0	0		2.8
Scotland	9,799	9,805	(6)	(0.06)	12,039	12,075	(36)	(0.30)	
North West	13,978	13,975	3	0.02	16,861	16,861	0	0.00	
North East	9,960	9,850	110	1.10	12,109	12,115	(6)	(0.05)	
Wales and Western	14,795	14,848	(53)	(0.36)	18,085	18,159	(74)	(0.41)	
<b>Total Force:</b>	<b>157,122</b>	<b>153,108</b>	<b>4,014</b>	<b>2.55</b>	<b>192,820</b>	<b>191,204</b>	<b>1,616</b>	<b>0.84</b>	
Police Authority:	1,272	1,199	73	5.74	1,866	1,866	0	0.00	
<b>Total Net Expenditure:</b>	<b>158,394</b>	<b>154,307</b>	<b>4,087</b>	<b>2.58</b>	<b>194,686</b>	<b>193,070</b>	<b>1,616</b>	<b>0.83</b>	
PSA Income	(164,734)	(164,725)	(9)	0.01	(194,686)	(194,686)	0	0.00	
<b>Net position:</b>	<b>(6,340)</b>	<b>(10,418)</b>	<b>4,078</b>	<b>(64.32)</b>	<b>0</b>	<b>(1,616)</b>	<b>1,616</b>		

**Appendix B**

Revenue Budget 2008/09 - Position as at end of Period 11									
	Year to Date					Full Year Forecast			
Analysis by Expenditure and Income	Budget	Actual	Variance [figures in brackets indicate an overspend]			Budget	Forecast	Variance [figures in brackets indicate an overspend]	Report Paragraph Number
	£'000	£'000	£'000	%		£'000	£'000	£'000	%
Expenditure:									
Staff costs	127,600	127,596	4	0.00		155,996	157,919	(1,923)	(1.23)
Premises	10,798	10,328	470	4.35		13,156	13,047	109	0.83
Communications and Computers	7,696	7,204	492	6.39		9,013	9,750	(737)	(8.18)
Transport	4,266	4,518	(252)	(5.91)		5,021	5,330	(309)	(6.15)
Supplies and Services	15,676	14,896	780	4.98		19,898	19,236	662	3.33
Capital charges etc.	7,144	7,478	(334)	(4.68)		9,725	9,725	0	0.00
Total Expenditure:	173,180	172,020	1,160	0.67		212,809	215,007	(2,198)	(1.03)
Income:									
PSA Income	(164,734)	(164,725)	(9)	0.01		(194,686)	(194,686)	0	0.00
Grants and other income	(14,786)	(17,713)	2,927	(19.80)		(18,123)	(21,937)	3,814	(21.05)
Total Income:	(179,520)	(182,438)	2,918	(1.63)		(212,809)	(216,623)	3,814	(1.79)
Net position:	(6,340)	(10,418)	4,078	(64.32)		0	(1,616)	1,616	

**Appendix C**

Estates	4,398	173	4,571	1,760	1,604	156	8.86%	4,749	(178)	(3.89)
Technology	800	247	1,047	881	567	314	35.64%	1,093	(46)	(4.39)
Airwave	807	0	807	589	355	234	39.73%	807	0	0.00
Crime	1,228	(22)	1,206	711	276	435	61.18%	819	387	32.09
Control Rooms	1,977	(300)	1,677	1,677	1,374	303	18.07%	1,677	0	0.00
Vehicles	1,400	460	1,860	1,000	243	757	75.70%	1,860	0	0.00
Operations	390	353	743	438	58	380	86.76%	723	20	2.69
Unallocated (balance to funding available)		(911)	(911)	0	0	0		0	(911)	100.00
<b>Total DfT Funded:</b>	<b>11,000</b>	<b>0</b>	<b>11,000</b>	<b>7,056</b>	<b>4,477</b>	<b>2,579</b>	<b>36.55%</b>	<b>11,728</b>	<b>(728)</b>	<b>(6.62)</b>
<b>Items funded from other sources:</b>										
Mobile computing	1,936	(480)	1,456	900	897	3	0.33%	1,456	0	0.00
Channel Tunnel Rail Link (CTRL)	28	0	28	30	32	(2)	-6.67%	28	0	0.00
Vehicles	142	108	250	250	243	7	2.80%	250	0	0.00
Olympic Funding	1,627	0	1,627	200	153	47	23.50%	411	1,216	74.74
Other	3	30	33	77	22	55	71.43%	77	(44)	(133.33)
<b>Total other funding:</b>	<b>3,736</b>	<b>(342)</b>	<b>3,394</b>	<b>1,457</b>	<b>1,347</b>	<b>110</b>	<b>7.55%</b>	<b>2,222</b>	<b>1,172</b>	<b>34.53</b>
<b>Total Programme:</b>	<b>14,736</b>	<b>(342)</b>	<b>14,394</b>	<b>8,513</b>	<b>5,824</b>	<b>2,689</b>	<b>31.59%</b>	<b>13,950</b>	<b>444</b>	<b>3.08</b>