



REPORT TO: British Transport Police Authority

DATE: 27 January 2009

SUBJECT: Revenue Budget and Capital Programme 2008/09
Monitoring at Period 10 (2 January 2009)

SPONSOR: Chief Constable

AUTHOR: Director of Finance and Corporate Services

1. PURPOSE OF REPORT:

- 1.1 This report provides an overview of the position on the revenue budget and capital programme as at Period 10 – ending 2 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.
- 1.3 Expenditure on the capital programme is still behind the original planned profile, but plans are in place to deliver the programme to target by year end.

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 £2m and a forecast outturn of £1.6m.
- 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 focus on this occasion was the realism of the forecasts based on the year to date position and the importance, as the end of year approaches, to provide as accurate a forecast as possible so decisions can be made on making the best use of any underspent resources.



Analysis by FHQ and Areas

- 2.3 The year to date overspend on the DCC's budget (2.3%) is due to spending ahead of profile in the Technology budget. It is not expected that this budget will overspend at year end.
- 2.4 ACC (Operations) budget is showing an underspend of £443,000 (3.2%) at the end of Period 10. 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 As reported on previous occasions, the Crime budget is showing an overspend – the latest figures are £0.56m year to date and forecast outturn of £0.51m. A number of factors have contributed to this forecast overspend and these can be summarised as follows:
- PNC usage (and therefore the number of chargeable transactions) has increased significantly since the introduction of PDAs. It is also worth noting that the price per “hit” on PNC has risen not only to cover inflationary pressures but also to part fund the establishment of the ACPO Criminal Records Bureau that now includes offences committed in Europe.
 - The increased success of the drive to detect more crime has meant the number of forensic submissions has increased
 - When the Major Investigations Team (MIT) was established, the Business Case proposed a full year cost of £1.9m. It was agreed to provide £0.6m in the Crime budget for this year on the understanding that there would inevitably be a transition



period and realistic costs would not be known until some experience had been gained.

- A number of major operations have taken place during the year which were costly in staffing and overtime terms (examples are Operation Cobalt - the successful operation against a gang of armed robbers – and the environmental protest at Drax) for which adequate budget provision was not included in the originally allocated budget.

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 the Crime budget.

- 2.6 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 £2.1m year to date and £2.3m forecast outturn is mainly made up of one-off additional income from CTRL and VAT recovered and some adjustments to capital charges.
- 2.7 London North is showing a year to date underspend of £402,000 (2.5%) and this is due to a high level of vacancies (particularly PCSOs). The February intake of officers and PCSOs will significantly reduce the number of vacancies and it is expected that by the end of the year the outturn will be close to budget.
- 2.8 A similar situation applies to London South that at London North and it is anticipated that spend at year end will be close to budget.
- 2.9 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.



2.10 Options are being prepared for the use of the forecast underspend and these will be considered in due course. However, unless there are issues of the highest priority that demand additional resources in the current year (and these should be focussed on ensuring performance targets are met where any are currently falling behind), it is likely that the vast majority of the underspend will be used to mitigate anticipated budget pressures in 2009/10 and later years, but due to its 'one-off' nature it might be prudent to consider items addressing future depreciation charges, severance costs or adding to the contingency reserve.

Subjective Analysis

- 2.11 Appendix B shows the revenue budget by subjective headings.
- 2.12 Staff costs show a small overspend (year to date £0.2m (0.2%) and £2.2m (1.4%) 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. From 2009/10 budgets will be updated on a regular basis to deal with these issues so that more meaningful monitoring information can be presented.
- 2.13 The premises budget shows an underspend year to date (£367,000 or 3.7%) and this is largely due to maintenance works being slightly behind the expected profile. It is expected that the outturn spend will be close to budget.
- 2.14 The Communications and Computers budget shows an underspend against profile year to date (£366,000 or 5.3%) largely due to changed spending patterns following a detailed review of the budget earlier in the year. The forecast outturn overspend (£875,000 or 9.8%) is due to additional PNC and communication charges, and development of various systems.



- 2.15 The overspend in the Transport budget both year to date (£278,000 or 7.2%) and forecast outturn (£348,000 or 7.0%) is accounted for by additional fuel costs in the middle of the year and higher travel costs throughout the year due to operational requirements.
- 2.16 Supplies and Services covers a very wide range of expenditure items and is therefore difficult to profile. However, the trend is a small underspend (about 1%) and this reflects budget holders freedom to spend elements of this budget on other items.
- 2.17 Capital charges are over profile by £506,000 (8.1%) 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.
- 2.18 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 10. There have been a number of changes to the programme since it was originally approved - the main ones are as follows:

[1] Estates – a net addition of £93,000. As a result of a decision to reconsider proposals for LN Custody, the opportunity was taken to divert resources to other Estates priorities during the year. This enabled the following:- funding for final payments on schemes from earlier years; bringing forward of schemes such as Liverpool custody, Manchester refurbishment and works at Axis House, Birmingham.



- [2] Technology – a net increase of £247,000. Requirements for Axis House, Birmingham.
- [3] Crime – a reduction of £153,000. Reassessment of overall requirements.
- [4] Control Rooms – a reduction of £300,000. As the project progressed a number of requirements and costs were revised, resulting in a reduced overall cost for the project.
- [5] Vehicles – an increase of £100,000. This increase is due to the provision of additional vehicles required by Areas (with the revenue costs funded from existing Area budgets) in order to improve response to emergency calls.
- [6] Operations – an increase of £48,000. This is to provide equipment required for operational activity, including specialist equipment.

3.2 There is a great deal of expenditure still to be incurred in the remaining part of the year if the programme is to spend on target. While it is accepted that revised profiles show that most spending is planned for the final quarter, those with capital budgets will need to exercise considerable effort if the programme is to be delivered as shown. In order to ensure that no capital resources from DfT are lost and BTP is able to draw down the full amount of £11m, a number of proposals are being considered to cover any likely underspend.

3.3 Should the inclusion of these additional projects within the programme result in the unlikely event of an overall overspend, this can be dealt with when the programme for 2009/10 is reassessed.



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4. RECOMMENDATION:

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

Appendix A

Revenue Budget 2008/09 - Position as at end of Period 10									
Analysis by FHQ and Areas	Year to Date				Full Year Forecast				Report Paragraph Number
	Budget	Actual	Variance [figures in brackets indicate an overspend]		Budget	Forecast	Variance [figures in brackets indicate an overspend]		
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
FHQ									
DCC	11,264	11,517	(253)	(2.25)	15,250	15,250	0	0.00	2.3
ACC (Operations)	13,878	13,435	443	3.19	18,684	18,683	1	0.01	2.4
ACC (Crime)	11,620	12,175	(555)	(4.78)	15,730	16,244	(514)	(3.27)	2.5
ACC (London and the Olympics)	469	393	76	16.20	592	592	0	0.00	
Director of HR	9,440	9,365	75	0.79	12,942	13,024	(82)	(0.63)	
Director of Finance and Corporate Services	15,243	13,057	2,186	14.34	21,913	19,609	2,304	10.51	2.6
Frontlinefirst	1,073	957	116	10.81	1,882	1,882	0	0.00	
Total FHQ	62,987	60,899	2,088	3.31	86,993	85,284	1,709	1.96	
London North	16,140	15,738	402	2.49	21,659	21,679	(20)	(0.09)	2.7
London South	18,531	18,330	201	1.08	25,074	25,070	4	0.02	2.8
London Underground	0	619	(619)		0	0	0		2.9
Scotland	8,828	8,832	(4)	(0.05)	12,039	12,082	(43)	(0.36)	
North West	12,595	12,584	11	0.09	16,861	16,790	71	0.42	
North East	8,927	8,929	(2)	(0.02)	12,109	12,103	6	0.05	
Wales and Western	13,303	13,406	(103)	(0.77)	18,085	18,150	(65)	(0.36)	
Total Force:	141,311	139,337	1,974	1.40	192,820	191,158	1,662	0.86	
Police Authority:	1,168	1,066	102	8.73	1,866	1,866	0	0.00	
Total Net Expenditure:	142,479	140,403	2,076	1.46	194,686	193,024	1,662	0.85	
PSA Income	(149,758)	(149,770)	12	(0.01)	(194,686)	(194,686)	0	0.00	
Net position:	(7,279)	(9,367)	2,088	(28.69)	0	(1,662)	1,662		2.11

Appendix B

Revenue Budget 2008/09 - Position as at end of Period 10									
Analysis by Expenditure and Income	Year to Date				Full Year Forecast				
	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	114,702	114,930	(228)	(0.20)	155,806	158,015	(2,209)	(1.42)	2.12
Premises	9,880	9,513	367	3.71	13,086	13,141	(55)	(0.42)	2.13
Communications and Computers	6,829	6,463	366	5.36	8,897	9,772	(875)	(9.83)	2.14
Transport	3,890	4,168	(278)	(7.15)	5,001	5,349	(348)	(6.96)	2.15
Supplies and Services	14,142	14,022	120	0.85	20,012	19,797	215	1.07	2.16
Capital charges etc.	6,241	6,747	(506)	(8.11)	9,725	9,725	0	0.00	2.17
Total Expenditure:	155,684	155,843	(159)	(0.10)	212,527	215,799	(3,272)	(1.54)	
Income:									
PSA Income	(149,758)	(149,770)	12	(0.01)	(194,686)	(194,686)	0	0.00	
Grants and other income	(13,205)	(15,440)	2,235	(16.93)	(17,841)	(22,775)	4,934	(27.66)	2.18
Total Income:	(162,963)	(165,210)	2,247	(1.38)	(212,527)	(217,461)	4,934	(2.32)	
Net position:	(7,279)	(9,367)	2,088	(28.69)	0	(1,662)	1,662		2.11

Appendix C

Capital Programme 2008/09 - Position at the end of Period 10														
	Original Programme	Agreed Changes		Updated Programme	Year to Date				Forecast Spend for the Year	Variance from Updated Programme				
		£'000	£'000		Note	£'000	Forecast Spend / Committed	Actual Spend / Committed		Variance		£'000	£'000	%
										£'000	%			
Department for Transport Funded:														
Estates	4,398	93	[1]	4,491	759	1,172	(413)	(54.41)	4,320	171	3.81			
Technology	800	247	[2]	1,047	712	496	216	30.34	1,205	(158)	(15.09)			
Airwave	807	0		807	510	54	456	89.41	207	600	74.35			
Crime	1,228	(153)	[3]	1,075	522	260	262	50.19	1,125	(50)	(4.65)			
Control Rooms	1,977	(300)	[4]	1,677	1,677	1,316	361	21.53	1,677	0	0.00			
Vehicles	1,400	100	[5]	1,500	500	420	80		1,720	(220)	(14.67)			
Operations	390	48	[6]	438	438	59	379	86.53	438	0	0.00			
Unallocated (balance to funding available)		(35)		(35)										
Total DfT Funded:	11,000	0		11,000	5,118	3,777	1,341	26.20	10,692	343	3.12			
Items funded from other sources:														
Mobile computing	1,936			1,936	900	887	13	1.44	1,936	0	0.00			
CTRL	28			28	28	28	0		28	0	0.00			
Vehicles	142			190	190	190	0	0.00	190	0	0.00			
Olympic Funding	1,628			1,628	220	210	10	4.55	1,628	0	0.00			
Other	3			31	31	31	0	0.00	31	0	0.00			
Total other funding:	3,737	0		3,813	1,369	1,346	23	1.68	3,813	0	0.00			
Total Programme:	14,737	0		14,813	6,487	5,123	1,364	21.03	14,505	343	2.32			

Note: See report paragraph 3.1