BRITISH TRANSPORT POLICE

Agenda Item 8

REPORT TO:	**British Transport Police Authority**
DATE:	**4 March 2008**
SUBJECT:	**Budget Setting – 2008-09**
	Proposed Revenue & Capital Budget for 2008-09
SPONSOR:	**Chief Executive and Chief Constable**
FOR:	**Decision**

1. PURPOSE OF PAPER

1.1 Under the Railways & Transport Safety Act 2003, the British Transport Police Authority (BTPA) is required to establish a fund to be known as the British Transport Police Fund. One of the statutory duties of the BTPA is to defray the expenses of British Transport Police (BTP), which must be met from the Police Fund. The BTPA must, before each financial year, set a budget of the expected expenditure and income for the year. If the BTPA does not set a budget before the 1 April in any year, the Secretary of State may do so instead.

1.2 Therefore, at this meeting, the BTPA needs to set a budget of expected expenditure and income for the year 2008-09. Consideration was given to the budget at the meeting on 22 January 2008. More information was put to the Strategy, Budget & Performance Monitoring (SB&PM) Committee on 13 February 2008. The reports on this agenda now represent the Chief Constable's proposals.

1.3 In setting the budget, the BTPA must consult the Treasurer and the Chief Constable. This has happened.

BRITISH TRANSPORT POLICE

Agenda Item 8

2. BACKGROUND

2.1 The BTPA will need to approve the budgets for 2008-09 in two parts; a revenue budget and a capital budget. The revenue budget will itself have two component parts; the budget out of which expenses of BTP will be defrayed, and the separate budget for the BTPA itself.

2.2 Annex 1 to this paper is the draft revenue budget for BTP. Agenda Item 9 is the draft revenue budget for the BTPA.

2.3 Once the revenue budget has been set, the BTPA then needs to collect income from PSA holders, for payment into the Police Fund. The level of contribution from PSA holders will be increased only by RPI (4.1%), using the ratio of contributions set for 2007-08 as the basis. These had been determined by using the charging model approved by the BTPA in October 2006.

3. CAPITAL PROGRAMME

3.1 For 2008-09, the Secretary of State has made available £11m for capital expenditure. The report from the Chief Constable recommends his proposals within this allocation.

4. THE CONSITUTIONAL POSITION

4.1 The BTPA has a statutory duty to ensure the efficient and effective policing of the railways and shall, in particular, have regard to:

a) any objectives set by the BTPA in its Policing Plan;

b) any objectives set by the Secretary of State (there have been none to date);

c) any Railways Policing Plan, which will include performance targets;

d) any performance target set by direction of the Secretary of State (there have been none to date);

BRITISH TRANSPORT POLICE

e) any Codes of Practice issued by the Secretary of State.

4.2 The Act has detailed requirements about setting a three-year Strategic Plan and an annual Policing Plan, an exercise which the BTPA has been undertaking over the last few months.

4.3 The BTPA shall before each financial year set a budget of expected expenditure and income. Before setting the budget, the BTPA must consult the Treasurer and the Chief Constable. The budget must be set by decision taken:

f) by a majority vote at a meeting of the BTPA;
g) with at least half of the members of the BTPA voting in favour; and
h) with at least half of the members who vote being neither officers nor employees of a person who has entered into, or is required to enter into, a Policing Services Agreement.

4.4 The Secretary of State has power to set a budget in default.

5. FACTORS TO TAKE INTO ACCOUNT IN SETTING THE BUDGET

5.1 As the BTPA was established under Statute, the BTPA is required to comply with its statutory duties. They are listed above. In complying with their duties, the BTPA must act reasonably – that is to take into account only those factors that are relevant and ignore any factors that are irrelevant. In bringing forward this budget, the Chief Constable's proposals have taken into account the discussions that have taken place locally with PSA holders about local policing priorities. This process followed the principles agreed with the industry in the Working Together Group. It fulfills the common law requirement of the BTPA to consult, with the industry in particular, before determining a budget.

BRITISH TRANSPORT POLICE

Agenda Item 8

6. RECOMMENDATIONS

6.1 That Members agree the overground budget for BTP of £192.83m in respect of 2008-09.

6.2 That Members agree the underground budget for BTP of £50.3m in respect of 2008-09, funded wholly by Transport for London (TfL).

6.3 That Members agree to the capital programme proposed by the Chief Constable amounting to £11m for 2008-09.

6.4 That Members agree a budget of £1.856m in respect of the Police Authority for 2008-09.

6.5 That Members agree that charges to PSA holders for 2008-09 should be set at a level to recover these costs, and that the Chief Executive & Clerk be authorised to levy charges and render appropriate accounts to PSA holders.