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BRITISH TRANSPORT POLICE**

REPORT TO: British Transport Police Authority
DATE: 11 March 2010
SUBJECT: Revenue Budget and Capital Programme 2009/10
Monitoring at Period 11 (22 January 2010)
SPONSOR: Director of Finance and Corporate services
AUTHOR: Head of Finance

1. PURPOSE OF REPORT:

- 1.1 This report provides an overview of the position on the revenue budget and capital programme for the current year as at Period 11 ending 22 January 2010.

2. REVENUE BUDGET:

- 2.1 Appendices A and B are drawn from returns from each Area and Department and summarise the year to date position and forecast outturn for the year. The year to date position shows an underspend against profile of £434,000 compared with £196,000 reported for period 10. The major reason for this is that those budget holders required to make savings in staff costs from 2010/11 are holding vacancies as they occur so that a full year's saving can be made in 2010/11.
- 2.2 The forecast outturn shows an underspend of £478,000 and in most cases the reason is the vacancy savings in preparation for 2010/11. How individual budget holders are dealing with this in this year is set out in the following paragraphs.

Analysis by FHQ and Areas (Appendix A)

- 2.3 The year to date position on the DCC's portfolio shows a net overspend of £31,000 (0.2%) which is made up of an overspend on legal fees in PSD and underspends

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elsewhere in the portfolio. Overall the portfolio will cover its own under and over spends and is forecast to come in slightly under budget at year end.

- 2.4 The Crime Department's budget shows a small underspend (£40,000 or 0.3%) against the profile for the year to date to recognise vacancies being held to prepare for budget reductions in future years. During the remainder of the year it is intended to use these savings to cover the cost of some essential operational matters, such as the replacement of protective vests, intelligence gathering (covert operations), Operation Pendulum and to allow additional overtime to deal with a number of pressing issues. The expected forecast underspend of £94,000 assumes that this spending will be completed in the year.
- 2.5 The Operations Department's budget shows an underspend year to date to reflect staff vacancies of £24,000 (0.2%). The forecast outturn shows an underspend of £53,000 (0.2%) as a result of ongoing vacancies.
- 2.6 The London and Olympics budget shows a small underspend against profile year to date because of some spending falling a period later than profiled. The forecast is on target.
- 2.7 The Director of HR's budget is showing an underspend year to date of £97,000 (0.8%) and this is as a result of holding posts vacant within the portfolio, including those related to Learning and Development and new arrangements for the student officer programme. The forecast outturn reflects ongoing vacancies but also makes provision for possible employment tribunal claims that may fall to be paid in future years.
- 2.8 The year to date position on the Director of Finance and Corporate Services' budget reflects some ongoing vacant posts and delayed costs relating to later occupation of

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some buildings. The forecast outturn shows a net underspend of £153,000 which is mainly as a result of additional corporate income.

2.9 This budget also includes the allocation of Centrally Held funds. There are a number of issues that will require funding in 2010/11 that are not provided for in the budget such as the costs of Inquiries related to the 7/7 bombings; the Potters Bar train crash; and the Grayrigg derailment. There are also likely to be additional costs arising from the Flanagan Report. It is proposed to make some provision towards these costs by holding back funds allocated for projects such the London North Custody provision and the Nottingham 24/7 policing cover where there has been some slippage in the project implementation. This provision is forecast to fully allocate the balance of funds remaining in the Centrally Held budget.

2.10 As far as Areas are concerned, all are close to the year to date budget (within less than 0.3%) with the trend continuing to the forecast outturn. Any underspends that have been generated as a result of vacancy savings will be used by Areas to undertake essential operational activity with additional overtime if appropriate or for priority work on premises or for operational equipment.

Subjective Analysis (Appendix B)

2.11 The year to date position on staff costs at £460,000 (0.34%) reflects ongoing vacancy savings, many of which are being held to meet savings targets in 2010/11 - a trend which continues to the forecast outturn.

2.12 Premises costs are reduced because of later than expected access to some premises and other small savings in a number of areas. The forecast outturn shows a small overspend which is as a result of additional essential maintenance work.

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- 2.13 The Communications and Computers budget shows an overspend of £58,000 (0.7%) year to date with a forecast outturn very close to budget.
- 2.14 The Transport budget shows an overspend year to date (£47,000 or 1.3%). This relates mainly to additional hotel and travel costs caused by operational requirements. Again, this trend continues until the end of the year which shows a forecast overspend of £81,000 (1.7%), some of which relates to additional activity within the Crime portfolio (see paragraph 2.4 above).
- 2.15 Supplies and services shows a small underspend (£74,000 or 0.6%) against profiled budget year to date and, given the wide variety of items covered by this budget, the position is acceptable. The forecast outturn shows a small overspend (0.5%) and this is within reasonable limits and reflects savings elsewhere being used for the purchase of equipment, goods and services.
- 2.16 Grants for the provision of specific services have been approved and these are due to be received in the latter part of the year. The forecast additional £24,000 will be offset by the costs of providing those services.
- 2.17 The underlying trend of additional income over budget continues. As with grants, this additional income will cover the costs of the additional services provided.

London Underground:

- 2.18 The figures for L Area (London Underground) are not part of Appendices A and B but the figures for period 11 are provided below:

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Revenue Budget 2009/10 - London Underground (L Area)								
	To Period: 11				Full Year			
	Profiled Budget	Actual	Variance		Approved Budget	Forecast Outturn	Variance	
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
Staff Costs	39,472	38,862	610	1.55	47,676	46,861	815	1.71
Other costs	3,949	4,040	(91)	(2.30)	3,964	4,336	(372)	(9.38)
Gross Expenditure:	43,421	42,902	519	1.20	51,640	51,197	443	0.86

Staffing costs are behind profile because some posts are being held vacant in an attempt to achieve a target underspend on the year of £0.5m as requested by LUL and to prepare for the significant savings required by TfL for 2010/11 and future years. The largest element of the overspend in other costs – both year to date and forecast – relates to forensic costs. Other items overspending by lesser amounts are IT costs and those relating to consultancy services, offset by savings made in uniform and other equipment purchases.

3. CAPITAL PROGRAMME:

- 3.1 Appendix C sets out a summarised position on the capital programme as at period 11 which indicates that, overall, 74% of the approved DfT funded programme has been spent or committed to date. Every effort is being made to ensure that spending to approved programme will be completed by the end of the year so that no DfT grant is lost.
- 3.2 The DfT have also advised recently that their budget forecasts have allowed for BTP capital expenditure of £14.2m in 2009/10 based on previous returns of the approved Capital Programme. In view of the limited capital resources available next financial year, efforts will be made to bring forward expenditure within this total. As part of this, an additional £350,000 has been allocated for the purchase of vehicles that would

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have been in the replacement programme for 2010/11. This has been reflected in the forecast in Appendix C.

3.3 Consideration will also be given to other options where they can be achieved within the timescale to take advantage of this funding opportunity.

4. RECOMMENDATION:

4.1 It is recommended that Members :

- i) note the position on the revenue budget and capital programme as outlined above.
- ii) approve increased expenditure on the Capital Programme up to a limit of £14.2m.

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APPENDIX A

Revenue Budget 2009/10 - Analysis by Budget Holder	To Period: 11				Full Year				Report Paragraph
	Profiled Budget	Actual	Variance		Approved Budget	Forecast Outturn	Variance		
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
FHQ Departments:									
Deputy Chief Constable	14,102	14,133	(31)	(0.22)	17,337	17,287	50	0.29	2.3
ACC (Crime)	12,852	12,812	40	0.31	16,518	16,424	94	0.57	2.4
ACC (Operations)	15,415	15,391	24	0.16	18,972	18,919	53	0.28	2.5
ACC (London and the Olympics)	581	528	53	9.12	709	709	0	0.00	2.6
Director of Human Resources	12,103	12,006	97	0.80	15,283	15,162	121	0.79	2.7
Director of Finance and Corporate Services	13,781	13,665	116	0.84	22,982	22,829	153	0.67	2.8
Total FHQ:	68,834	68,535	299	0.43	91,801	91,330	471	0.51	
Areas:									
London North	18,350	18,296	54	0.29	23,230	23,210	20	0.09	2.9
London South	21,460	21,394	66	0.31	26,492	26,429	63	0.24	2.9
North East	11,915	11,902	13	0.11	14,681	14,690	(9)	(0.06)	2.9
North West	13,255	13,224	31	0.23	16,389	16,342	47	0.29	2.9
Wales and Western	13,322	13,349	(27)	(0.20)	16,324	16,378	(54)	(0.33)	2.9
Scotland	10,029	10,031	(2)	(0.02)	12,264	12,324	(60)	(0.49)	2.9
Total Force:	157,165	156,731	434	0.28	201,181	200,703	478	0.24	

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APPENDIX B

Revenue Budget 2009/10 - Analysis by Expenditure / Income Type	To Period: 11				Full Year				Report Paragraph
	Profiled Budget	Actual	Variance		Approved Budget	Forecast Outturn	Variance		
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
Expenditure:									
Staff costs	134,736	134,276	460	0.34	166,201	165,751	450	0.27	2.10
Premises	11,143	11,119	24	0.22	14,394	14,417	(23)	(0.16)	2.11
Communications and Computers	8,080	8,138	(58)	(0.72)	9,917	9,908	9	0.09	2.12
Transport	3,686	3,733	(47)	(1.28)	4,811	4,892	(81)	(1.68)	2.13
Supplies and Services	11,766	11,692	74	0.63	18,244	18,341	(97)	(0.53)	2.14
Capital charges etc.	8,613	8,613	0	0.00	12,032	12,032	0	0.00	
Contribution to Reserves					400	400	0		
Total expenditure:	178,024	177,571	453	0.25	225,999	225,741	258	0.11	
Income:									
Grants	(2,090)	(2,131)	41	(1.96)	(2,592)	(2,616)	24	(0.93)	2.15
Other income	(18,769)	(18,709)	(60)	0.32	(22,226)	(22,422)	196	(0.88)	2.16
Total income:	(20,859)	(20,840)	(19)	0.09	(24,818)	(25,038)	220	(0.89)	
Total Net Expenditure:	157,165	156,731	434	0.28	201,181	200,703	478	0.24	

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APPENDIX C

Capital Programme 2009/10 - Position at the end of Period 11										
	Budget			Year to Date				Forecast		
	Original Programme	In Year Changes	Revised Programme	Commitments	Actual Spend	Total Spend and Commitments	Balance Remaining of Revised Programme	Forecast Spend for the Year	Variance from Revised Programme Underspend / (Overpend)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
Department for Transport Funded:										
Estates	7,879	0	7,879	3,181	2,599	5,780	2,099	7,065	814	10.33%
Information Technology	4,791	(500)	4,291	136	2,406	2,542	1,749	4,171	120	2.80%
Vehicles	1,900	0	1,900	204	1,646	1,850	50	2,250	(350)	-18.42%
Other	1,191	420	1,611	261	419	680	931	1,246	365	22.66%
Central Street Landlord's Contribution	(1,200)	0	(1,200)	0	(1,185)	(1,185)	(15)	(1,185)	(15)	1.25%
Unallocated	(1,561)	80	(1,481)						(1,481)	
Total DfT Funded:	13,000	0	13,000	3,782	5,885	9,667	4,814	13,547	(547)	-4.21%
Funded from Other Sources:										
Olympics (DfT Separately Funded)	1,080	0	1,080	0	482	482	598	835	245	22.69%
CCTV Hub (Network Rail)	506	94	600	154	420	574	26	305	295	49.17%
Airwave - Severn Tunnel (Network Rail)	226	34	260	259	0	259	1	259	1	0.38%
Other	87		87	12	75	87	0	90	(3)	-3.45%
Total Other Funding:	1,899	128	2,027	425	977	1,402	625	1,489	538	26.54%
Total Programme:	14,899	128	15,027	4,207	6,862	11,069	5,439	15,036	(9)	-0.06%

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