British Transport Police Authority

The Forum
5th Floor North
74-80 Camden Street
London NW1 0EG

T: 020 7383 0259
F: 020 7383 2655
E: general.enquiries
@btpa.police.uk

www.btpa.police.uk

Report to: Finance Group

Agenda item: 5

Date: 5 May 2011

Subject: BTPA 2010/11 Quarter 4 and Full Year Result

Sponsor: Authority Finance Director

For: Discussion and Noting

1. Purpose of paper

1.1 This paper details the financial position at the end of quarter 4 (period 13). It also presents information on the core PSA debtors as at the end of period 13 and summarises for the group the progress made on the judicial review debtors.

2. BTPA Financial Position Quarter 4 2010/11

2.1 At the end of the financial year against a budget of £1,917.9k, the Authority has incurred expenditure of £1,892.4k, an under spend of £25.5k. This is £15.4k better than the forecast reported at quarter 3. The detailed analysis of spend is detailed in appendix A. In summary the major variances year to date are set out below:

	£k
Budget 2010/11	1,917.9
Under spend Staff salaries	(128.5)
Under spend Member salaries	(57.4)
Under spend Recruitment	(35.1)
Under spend Independent Custody Visits	(29.6)
Over spend on appeals	11.5
Over spend on HMIC inspections	24.5
Over spend Legal fees	21.1
Over spend Consultancy	93.7
Over spend Internal Audit	79.5
Other net under spends	(5.2)
Actual 2010/11 spend	**1,892.4**

2.2 **Staff and Member costs** are under spent by £185.9k in the full year. This is mainly caused by two staff vacancies for the Deputy Chief Executive and Research Assistant and two member vacancies.

2.3 **Non staff costs** are over spent by £160.1k at the year end. The main contributing factors to this overspend are summarised below.

2.4 **Consultancy spend** is overspent by £93.7k. The major reason for this is for pension's advice from Punter Southall in relation to the Police Officers pension valuation at the end of December 2009 and also continuing advice on the investment strategy and governance of the schemes. Total spend on Punter Southall during the year totals £102.1k

2.5 **Legal costs** are overspent by £21.1k, this is caused by additional legal advice on employment issues and the ATW settlement taking slightly longer to finalise than initially thought when the forecast was prepared at period 9. However the successful completion of both the ATW and the DBS settlements will avoid any future legal costs arising from the JR.

2.6 **Internal audit costs** are overspent by £79.5k. This has been caused principally because Tribal has spent additional time on an internal fraud investigation.

2.7 The charge for the **HMIC inspections** for 2010/11 is £24.5k overspent. The initial charge that HMIC suggested was some £50k higher but after negotiation, they agreed to limit the costs charged to us directly at £72k.

3. Core PSA Debtors position at 2010/11 Year End

3.1 Appendix B summarises the core PSA debtors.

3.2 During the period since quarter 3, the settlement agreement with Arriva Trains has been signed and all monies due have been paid. We signed an agreement with DBS on 1 April 2011 and all monies due were settled shortly after the year end. The DfT have agreed to convert loan to grant in aid to cover the both the DBS and ATW settlements. The DBS settlement will be reflected as a 2010/11 transaction in the year end accounts.

3.3 The DfT are regularly briefed on the debtors arising from the judicial review and the exposure is covered by our loan agreement with them.

3.4 Appendix B is annotated with comments on debt recovery. As can be seen, this shows a much cleaner aging of debt with over 90% being current. During the period we have Excluding

the disputes mentioned above, it is worth highlighting that Freightliner are the only debt outstanding from the JR. Agreement with Finance Director was reached in 2009 to pay over three years and charge interest on the outstanding balances. The current balance outstanding is £194.7k

4. Recommendations

4.1 That Members note the year end spend and the core PSA debtor position.