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British Transport Police Authority

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Report to: Finance Group
Agenda item: 8 Bi
Date: 5 December 2011
Subject: BTPA Budget Proposals 2012/13
Sponsor: Authority Finance Director
For: Review and Recommendation to the Authority

1. Purpose of paper

1.1 This paper details the detailed budget for the Police Authority budget in 2012/13. An overall standstill budget has already been approved at the Authority in November at £1,870k.

2. The Current Position

2.1 At the last Finance Group the current full year forecast was reviewed and the revised forecast was agreed at £1,870k, in line with the overall budget but with small changes between different types of expenditure.

3. Proposed Detailed Budget for 2012/13

3.1 The budget proposals have been developed using both the forecast and the budget for 2011/12. The objective is to have no increase on the current year's budget. No pay increase inflation has been included but increments for those staff on the EPS scheme have been incorporated in the plans.

3.2 Appendix A summarises the detailed proposal together with a comparison against the 2011/12 quarter 2 forecast and the 2011/12 budget and the actual and budgeted costs for 2010/11.

3.3 A reconciliation of the major movements from last years budget to revised forecast and then to 2012/13 proposed budget is set out in Appendix B.

3.4 A summary is shown overleaf.

	Executive Staff Costs	Members Staff Costs	Total Staff Costs	Non staff costs	Total Costs
	£000	£000	£000	£000	£000
BUDGET 2011/12	674.3	318.7	993.0	877.0	1,870.0
Vacancy gap *(PSA Manager)*	(35.3)	-	(35.3)	-	(35.3)
Member vacancies	-	(76.9)	(76.9)	-	(76.9)
Additional Legal costs forecast re PSA	-	-	-	50.0	50.0
Additional HMIC costs	-	-	-	22.8	22.8
Additional recruitment costs				16.0	16.0
Other net differences	10.7	(0.1)	10.6	12.8	23.4
FORECAST 2011/12	649.7	241.7	891.4	978.6	1,870.0
Full year effect of PSA Manager	35.3	-	35.3	-	35.3
Additional Spine point	21.5	-	21.5	-	21.5
Full Compliment of members all year.	-	48.9	48.9	-	48.9
Legal cost savings	-	-	-	(61.3)	(61.3)
Reduction in consultancy costs	-	-	-	(35.0)	(35.0)
Other net differences	8.9	(1.0)	7.8	(19.3)	(11.5)
BUDGET 2011/12	715.4	291.6	1,007.0	863.0	1,870.0

3.5 The staff cost budget reflects the new staffing structure agreed by the Authority in September 2010 and all staff are assumed to be in post for the full year. The budget assumes, prudently that all members of staff will be members of the pension scheme.

3.6 The member staff costs represent 15 members in post for the whole year, with only one member not charging a fee. In line with an internal audit recommendation, the members' expenses budget has been built up by individual member, based on the current run rate.

3.7 The premises and office costs include an additional allowance under service charges for works in reception and other specified building work. Transitional relief on Rates will also reduce by approximately £5k in 2012/13.

3.8 Consultancy costs have been budgeted at £85k; this is made up of £50k for continued pensions advice; £15k on DODs, for political and legislative monitoring and £20k for sundry advice.

3.9 Legal costs have been estimated at £188.8k, which will cover any work on the PSAs; advice on employment related matters and any other adhoc advice required in the year.

3.10 HMIC inspections have been budgeted at £72k, which is in line with the charges from 2010/11.

3.11 The recruitment budget has been increased on original budget but reduced from the current year forecast of £36k and it is required for any changes in the Strategic Command Team and the Executive.

3.12 It has been assumed that both the internal and external fees will be reduced.

4. Risks

4.1 The major risk to achievement of this budget is any potential legal or consultancy advice required on the Charges model and the PSA contract. However, any potential dispute costs will be unlikely until 2013/14, when all the major PSA holders move to the new Charging model. The PSA and charging model are subject to consultation over the next six months.

5. Recommendations

5.1 It is recommended that the Finance Group review the detailed Authority budget for 2012/13 and recommend its approval to the full Authority.