BRITISH TRANSPORT POLICE

5 May 2012

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15 MAY 2012
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Andrew Figgures CB CBE
Chief Executive
British Transport Police Authority
The Forum
5th Floor North
74-80 Camden Street
London
NW1 0EG

Dear Andrew

BTPA Corporate Governance Code

Further to your letter of 9 March 2012, I can confirm that in accordance with Financial Regulation FR2 all managers who have been provided with delegated responsibility have understood and fulfilled their responsibilities with regard to the operating cost budget. This is with the exception of the budget control issues of which you and the Authority are aware in relation to the Wide Area Network (WAN) project.

I am able to give this assurance based on the assessment of the Head of Finance who chairs four weekly finance review meetings with all budget holders, and based on my review of the provisional revenue outturn which is summarised in the attached schedule.

The provisional outturn which is still subject to NAO audit shows that all budget holders with the exception of Corporate Resources delivered an outturn within plus or minus 1% of their forecast as they were required to do. The Corporate Resources position is 2% below forecast due to the outturn position on the WAN project which is lower in revenue terms than was forecast.

The overall provisional revenue outturn is for a surplus of £1.154m. This is very close to forecast and is in line with the requirement to deliver a surplus to support the 2012/13 budget deficit with the balance of the surplus being used to strengthen the Contingency Reserve as requested by the BTPA.

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In respect of the Capital Programme the provisional outturn indicates that the spend on the overall programme will be £378k (3.4%) below forecast. The detailed outturn report for revenue and capital will be presented to the Finance Group on 22 May.

In relation to the concerns over the budget management of the WAN project you will be aware that detailed reports on the financial position and budget control issues will be presented to the next Finance Group and Audit Committee, but I would like to assure you that proactive action has been taken to strengthen control in this area. These actions include the appointment of a Senior Management Accountant with responsibility for supporting the Information Services and Business Support budget holder and improvements made in the way project expenditure is recorded and reported to the Programme Board and the Strategic Command Team.

As you are aware in delegating budget responsibility to budget holders I place significant reliance on my Budget Delegation and Responsibilities Letter which I issue to budget holders each year and for completeness I thought it would be helpful to enclose a copy of my 2012/13 Delegation Letter.

Yours sincerely

Andrew Trotter OBE QPM
Chief Constable

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Provisional Revenue Outturn Compared to Period 12 Forecast (Pre- Audit)

Revenue Budget for the 2012 Financial Year - Analysis by Area / Department		Period 12 Forecast				2011/12 Outturn					
		Revised Budget	Forecast	Variance		Original Budget	Budget Movements	Revised Budget	Actual	Variance	
		£'000	£'000	£'000	%	£'000	£'000	£'000	£'000	£'000	%
FHQ Departments											
	Deputy Chief Constable	6,517	6,508	9	0%	7,666	(1,059)	6,607	6,557	50	1%
	Territorial Policing & Crime	20,522	20,375	147	1%	20,611	(89)	20,522	20,390	132	1%
	Central Operations	13,578	13,388	191	1%	14,147	(369)	13,778	13,831	(53)	0%
	Corporate Resources	43,001	42,834	167	0%	44,241	(1,531)	42,710	41,702	1,008	2%
	Total FHQ Departments:	**83,618**	**83,103**	**515**	**1%**	**86,665**	**(3,048)**	**83,617**	**82,480**	**1,137**	**1%**
Areas	London North	24,830	25,001	(171)	-1%	24,739	91	24,830	25,008	(178)	-1%
	London South	26,063	26,256	(193)	-1%	26,169	(106)	26,063	26,274	(211)	-1%
	North East	16,745	16,745	0	0%	16,455	290	16,745	16,741	4	0%
	North West	16,774	16,929	(156)	-1%	16,613	161	16,774	16,937	(163)	-1%
	Wales & Western	17,050	17,211	(161)	-1%	16,885	165	17,050	17,095	(45)	0%
	Scotland	12,429	12,561	(132)	-1%	12,443	(14)	12,429	12,561	(132)	-1%
	L Area	50,248	50,272	(24)	0%	50,248	0	50,248	50,305	(57)	0%
	Total Area:	**164,139**	**164,974**	**(835)**	**-1%**	**163,552**	**587**	**164,139**	**164,921**	**(782)**	**0%**
	Savings Identified (in-year)	2,461	0	2,461	100%	0	2,461	2,461	0	2,461	0%
	Total BTP Budget:	250,217	248,077	2,141	1%	250,217	0	250,217	247,401	2,816	1%
	Contribution from previously found savings	(3,000)	(539)	(2,461)	82%	(3,000)	0	(3,000)	0	(3,000)	
	DfT funding for Operation Bench	0	(1,338)	1,338	0%	0	0	0	(1,338)	1,338	
	Total BTP Budget	**247,217**	**246,200**	**1,018**	**0.4%**	**247,217**	**0**	**247,217**	**246,063**	**1,154**	**0.5%**

20 February 2012

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To all budget holders and budget leads

2012/13 Budget Delegation and Responsibilities (Revenue and Capital)

Each March the Authority agrees the BTP's budget for the following financial year. The budget is a financial expression of BTP's aims, objectives and policies. Following Authority approval of the total budget the budget is then allocated to services, being recorded on the Force's Financial Information System (E-fins). Budgets are allocated to cost centres which replicate the service structure of the Force and then split between account codes which record what has actually been spent.

BTP controls costs by delegating responsibility for budgets through the organisation. Responsibility for the Force's budget and expenditure lies with the Chief Constable but he delegates this responsibility to Strategic Command Team (SCT) members who in turn may also delegate budgets to staff within their departments via Financial Approval. This ensures that spend is controlled where it occurs by staff who are closely connected with the spend at cost centre level. The actual financial approval limits to be used and delegated by SCT members are established and agreed by the Director of Corporate Resources.

This letter provides your budget delegation control total for 2012/13 (see appendix A) and sets out the rules for setting detailed budgets within your Area or Department and for managing budgets in year. Detailed schedules setting out the construct of your 2012/13 control total will be issued separately by the Head of Finance in conjunction with this Delegation Letter

Also attached at appendix B is the provisional capital programme, this awaits confirmation from BTPA that the DfT will agree to a delegation of £11.6m but the amounts at scheme level have been approved by the BTPA.

Overall BTP Revenue Budget

For 2012/13 the BTPA has approved a budget of £200,307k for over ground operations and £51,874k for underground operations the total BTP budget therefore for 2012/13 is £252,181k.

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In agreeing the budget for 2012/13 the BTPA required a standstill in the PSA at £196,969k, the resulting gap between the budget of £200,307k and PSA funding of £196,969k of £3,338k is to be met from previously achieved savings. Appendix C sets out the detailed budget for 2012/13.

Overall BTP Capital Budget

For 2012/13 the BTPA has approved a capital programme ceiling of £11.6m, this awaits confirmation from the DfT that they will approve this level of Capital Delegation, a summary of the BTPA approved capital programme is provided at Table 1 and shown in detail at Appendix B.

Table 1 – Summary BTPA Approved Capital Programme

SUMMARY CAPITAL PROGRAMME			
Type of capital expenditure	2012/13	2013/14	2014/15
	£000	£000	£000
Estates	5,220	4,619	6,275
Information Technology	2,500	2,130	2,130
CCTV	199	282	34
Fleet	2,750	2,720	2,281
Other Equipment	444	775	0
Contingency	487	674	480
TOTAL DfT FUNDED CAPITAL PROGRAMME	11,600	11,200	11,200

Rules for setting detailed budgets

1. Budgets must be loaded into E-fins by the **16 March 2012.**

2. It is your responsibility to set budgets across expenditure/income headings and profile budgets across months as accurately as possible.

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3. This is the case for all expenditure headings but you are asked to pay specific attention to the accuracy of the police overtime budget, this needs to be realistic in-terms of overall spend, classification and monthly profile. The expenditure breakdown provided in the control total calculation you will be sent is for guidance only though you may be required to provide an explanation of significant variances to these guidance amounts.

4. You have already been asked to submit your proposed establishment figures for police officers, staff and PCSOs, the budget you set must be based on the same establishment that you have submitted to Human Resources. Detailed checks will be carried out prior to the start of the year to ensure the Establishment you are using for budget and Human Resources purposes match and that they reflect agreed changes to the 2011/12 base position.

Rules for in-year management of budgets

Budget Holders must ensure that:

1. Budget is spent on the activities it is intended for.
2. The budget does not overspend overall. Any unauthorised year end overspend will be carried forward and be the first call on the new year's budget.
3. Budgets for individual expenditure and income headings at the level of aggregation used for scrutiny at the Finance Reviews meetings (see appendix D) must be managed within a tolerance of plus or minus 5%.
4. Any requests to move budget in year due to exceptional operational requirements or significant structural changes are submitted for approval to the Director of Corporate Resources. These will be agreed or not at the period Finance Review meetings.
5. All costs including staff cost are correctly and accurately coded.
6. Forecasts of staff expenditure agree to the position for officer and staff numbers agreed with Human Resources and maintained on ORIGIN.
7. In accordance with the Two Key Approach to Expenditure, the Budget Holders and requisitioners do not have procurement authority and therefore must not order goods, works or services directly with suppliers. The only exception to this is via procurement card.

   No work is to commence until a Purchase Order, Contract or Variation to a contract via Procurement or Buyer on Area is in place with the supplier.

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8. All non staff spend is purchased through the correct method; being
   - Procurement Card for purchases for £250 and under
   - Through Procurement and e-procurement for £251-£50,000
   - Through Procurement with more formal contractual arrangements for purchases over £50,000 in line with BTP's Two Key Approach to Expenditure and the 'No Order = No Pay'.
9. They approve commitments and receipting Goods Received Notes via their requisitioners and where necessary authorising invoices.
10. They are able to discharge their responsibility for the contract management of all contracts under their responsibility, but must seek Procurement Authority from the Procurement Department both at the letting of the contract and if any contract variations are required.
11. They are responsible for the specification (including any risk assessments and health and safety issues i.e. training) of all proposed transactions, including the need to clearly specify user requirements, service level agreements and acceptance criteria in tenders and contracts.
12. They work closely with their Senior Management Accountant/Area Finance and Corporate Services Manager in producing the 'four weekly packs' which sets out for each period the year to date and forecast position so that these can be discussed at each period's Finance Review.

To support budget holders in the exercise of their responsibilities the Force will

1. Ensure that each budget holder is assigned a Senior Management Accountant/Area Finance and Corporate Services Manager with responsibility for advising Budget Holders on all financial matters and for producing the 4 weekly monitoring packs which will be used for scrutinising the Budget Holders financial position at each Finance Review meeting.

   NB. Although the Senior Management Accountants/Area Finance and Corporate Services Managers are responsible for producing the monitoring pack and will give budget holders advice and support, the actual responsibility for the contents and accuracy of the pack lies with the budget holders and SCT member. It is the SCT member/budget holders responsibility to present the pack at the Finance Reviews and discuss the contents and implications. The SCT member is required to sign off each pack before it is presented to the FHQ review board to ensure that there is departmental ownership.

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2. Provide detailed and clear guidance on all BTP's financial regulations and procedures.

3. Ensure financial and procurement systems are set up in a robust and user friendly way.

Any issues regarding this Delegation Letter should be raised with the Director of Corporate Resources immediately so that they can be resolved before the start of the 2012/13 financial year.

Yours sincerely

Andrew Trotter OBE QPM
Chief Constable

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Appendix A - 2012/13 Budget Delegation Control Total

Area/Department	Control Total	Budget Holder	Area Finance and Corporate Services Manager/Senior Management Accountant
	£000		
FHQ Department			
Territorial Policing and Crime	20,275	Miles Flood	Arti Andrade
Central Operations	14,704	Dave Wildbore	Arti Andrade
Corporate Resources	44,607	Corporate Resources SMT	Christopher Azoba
Deputy Chief Constables	7,134	Elaine Derrick	Christopher Azoba
Areas			
London North	24,812	Mark Smith	Chano Khosla
London South	25,973	Steve Morgan	Jane Horton
North East	16,728	Terry Nicholson	Joanne Whatmore
North West	16,759	Peter Holden	Stuart Holmes
Scotland	12,294	Ellie Bird	Anne Cochrane
Wales and Western	17,021	Peter Davies	Karen Taylor
Total Over Ground Operations	**200,307**		
L Area	51,874	Mark Newton	Tim Johnson
Total Over and Under Ground Operations	**252,181**		
Funded from			
PSA	196,969		
London Underground	51,874		
Previously Identified Savings	3,338		
Total	**252,181**		

Appendix B - Provisional Capital Programme

ESTATES							
Scheme	Scoping Bid Document Ref	Business Case Required	Sponsor	2012/13	2013/14	2014/15	On-going Revenue impact
				£000	£000	£000	£000
Estates Rationalisation Programme	EstSBD21	Full - BTPA	Corp Res - Leigh Stringer	2,300	500	0	to be conf
Edinburgh Custody	EstSBD17	Full - SCT	Corp Res - Leigh Stringer	365	0	0	0
Southampton	EstSBD7	Full - SCT	Corp Res - Leigh Stringer	300	0	0	0
Reading	EstSBD13	Full - SCT	Corp Res - Leigh Stringer	300	0	0	0
Cambridge	EstSBD10	Full - SCT	Corp Res - Leigh Stringer	270	0	0	0
Security upgrades	EstSBD1	Full - SCT	Corp Res - Leigh Stringer	250	250	250	0
New St Birmingham	EstSBD6	Full - SCT	Corp Res - Leigh Stringer	243	0	0	0
Ashford	EstSBD2	Full - SCT	Corp Res - Leigh Stringer	230	0	0	0
Minor Works projects	EstSBD4	not required	Corp Res - Leigh Stringer	200	500	500	0
Air Conditioning System Upgrades (Legal Req)	EstSBD8	not required	Corp Res - Leigh Stringer	100	100	100	0
Capitalised staff costs	EstSBD5	not required	Corp Res - Leigh Stringer	75	75	75	0
CRC Cardiff	EstSBD15	not required	Corp Res - Leigh Stringer	75	0	0	0
Nottingham	EstSBD3	not required	Corp Res - Leigh Stringer	55	0	0	0
Stratford	EstSBD11	Full - BTPA	Corp Res - Leigh Stringer	50	1,000	1,000	to be conf
Gloucester	EstSBD12	not required	Corp Res - Leigh Stringer	50	0	0	0
Force Control Room London - stamp duty	EstSBD9	not required	Corp Res - Leigh Stringer	45	0	0	0
London South Custody	EstSBD16	Full - BTPA	Corp Res - Leigh Stringer	0	1,500	4,000	to be conf
Glasgow Custody	EstSBD18	Full - SCT	Corp Res - Leigh Stringer	0	294	0	0
Guildford	EstSBD19	Full - SCT	Corp Res - Leigh Stringer	0	0	300	0
Liverpool Street	EstSBD20	Full - SCT	Corp Res - Leigh Stringer	0	350	0	0
Retentions/Outstanding from previous years							
- London North Custody	EstSBD24	not required	Corp Res - Leigh Stringer	170	0	0	0
- London North Custody	EstSBD22	not required	Corp Res - Leigh Stringer	92	0	0	0
- Other schemes	EstSBD23	not required	Corp Res - Leigh Stringer	50	50	50	0
TOTAL ESTATES				**5,220**	**4,619**	**6,275**	**0**

Appendix B - Provisional Capital Programme

INFORMATION TECHNOLOGY							
Scheme	Scoping Bid Document Ref	Business Case Required	Sponsor	2012/13	2013/14	2014/15	On-going Revenue impact
				£000	£000	£000	£000
Airwave replacements and upgrades	ITSBD4	Full - SCT	Corp Res - Paul Day	650	750	750	0
Server and Desktop Virtualisation	ITSBD2	Full - SCT	Corp Res - Paul Day	500	500	500	0
Minor Projects	ITSBD7	Full - SCT	Corp Res - Paul Day	400	500	500	0
Sharepoint (former EDRMS)	ITSBD9	Full - SCT	Corp Res - Paul Day	350	0	0	0
ICCS system upgrade	ITSBD5	Full - SCT	Corp Res - Paul Day	200	100	100	0
Disaster Recovery investment	ITSBD1	not required	Corp Res - Paul Day	100	0	0	0
Cyclic replacement programme - Laptops	ITSBD3	not required	Corp Res - Paul Day	100	100	100	0
Information Management systems	ITSBD6	not required	Corp Res - Paul Day	100	80	80	0
Minor equipment replacement	ITSBD8	not required	Corp Res - Paul Day	100	100	100	0
TOTAL INFORMATION TECHNOLOGY				**2,500**	**2,130**	**2,130**	**0**

CCTV							
Scheme	Scoping Bid Document Ref	Business Case Required	Sponsor	2012/13	2013/14	2014/15	On-going Revenue impact
				£000	£000	£000	£000
BTP Funded schemes							
Arriva Trains connection to FRCB	CCTVSBD5	not required	CO - Haver Evans	89	0	0	0
Outer London additional CCTV feeds	CCTVSBD4	not required	CO - Haver Evans	78	0	0	0
Retrieval Cadre Equipment	CCTVSBD1	not required	CO - Haver Evans	16	17	18	0
Siraview software	CCTVSBD2	not required	CO - Haver Evans	16	16	16	0
Scottish Events Room and Network links	CCTVSBD3	Full - SCT	CO - Haver Evans	0	249	0	49
TOTAL CCTV				**199**	**282**	**34**	**49**

Appendix B - Provisional Capital Programme

FLEET							
Scheme	Scoping Bid Document Ref	Business Case Required	Sponsor	2012/13	2013/14	2014/15	On-going Revenue impact
				£000	£000	£000	£000
Vehicle Replacement Programme	FLEETSBD1	not required	Corp Res - G Tillet	2,750	2,720	2,281	0
TOTAL FLEET				**2,750**	**2,720**	**2,281**	**0**

OTHER EQUIPMENT							
Scheme	Scoping Bid Document Ref	Business Case Required	Sponsor	2012/13	2013/14	2014/15	On-going Revenue impact
				£000	£000	£000	£000
Central Operations							
LAB Services ISO Accreditation	OTHERSBD1	not required	CO - Hacer Evans	30	0	0	2
Rapid DNA profiling equipment	OTHERSBD2	not required	CO - Hacer Evans	20	0	0	0
Replacement of Photographic Equipment	OTHERSBD3	not required	CO - Hacer Evans	0	133	0	0
Detection Identification Equipment	OTHERSBD4	Full - SCT	CO - Hacer Evans	0	350	0	0
Freezers	OTHERSBD5	not required	CO - Hacer Evans	0	20	0	0
Drying Cabinets	OTHERSBD6	not required	CO - Hacer Evans	0	30	0	0
Photographic Server Replacement	OTHERSBD7	not required	CO - Hacer Evans	0	60	0	0
Server to store master photographic images	OTHERSBD8	not required	CO - Hacer Evans	0	60	0	0
Replacement Laptops	OTHERSBD9	not required	CO - Hacer Evans	0	37	0	0
HTCU Fibre Optic cabling for server	OTHERSBD10	not required	CO - Hacer Evans	0	15	0	0
Corporate Resources							
Efinancials upgrade 4.1	OTHERSBD11	not required	Corp Res - Simon Hart	29	0	0	3
Deputy Chief Constables - PSD							
Portable Video Interview Equipment	OTHERSBD13	not required	PSD - Colin Wong	7	0	0	0
Secure Wireless Microphone System	OTHERSBD12	not required	PSD - Colin Wong	5	0	0	0
Territorial Policing and Crime							
ANPR New Camera	OTHERSBD17	not required	TP Crime - M Flood	90	0	0	0
Covert ANPR equipment	OTHERSBD14	not required	TP Crime - M Flood	60	0	0	1
Covert Datong Equipment	OTHERSBD15	not required	TP Crime - M Flood	44	0	0	0
Upgrade Q Electronics equipment	OTHERSBD16	not required	TP Crime - M Flood	35	0	0	1
Holmes Server	OTHERSBD18	not required	TP Crime - M Flood	0	70	0	0
TOTAL OTHER EQUIPMENT				**444**	**775**	**0**	**17**

Appendix D – Level of Budget Allocation to be managed within +/-5%

	2012/13
	£000
Net Budget approved 2011/12 (excl. BTPA)	199,969
Pay and Inflation	
Police Officer pay award @ 0%	0
Police Staff pay award @ 0%	0
EPS Pay Progression	950
- provided within base	(950)
London weighting increase of 10%	214
Non-pay inflation @ 4%,	2,000
Total Pay and Inflation	2,214
Police Pension employers contributions	2,000
Full year effects of previous budget adjustments	
WAN contract renewal	(1,200)
Removal of project set up costs	(298)
Total full year effects	(1,498)
New budget pressures	
Olympics Year events policing	500
Firearms project (*tbc)	200
Airwave Usage Costs	200
Rent Reviews	514
Jubilee additional bank holiday	300
Insurance costs	20
Carbon Reduction Commitment	80
Total new budget pressures	1,814
Total Budget Requirement	204,499
PSA Funding Envelope	196,969
Funding gap (pre savings)	7,530
Savings Proposals	
Full year effect of savings identified in 2011-12	
VSS	(1,707)
ESR and Futures	(1,220)
Planned Futures proposals	
Efficiency Review of EPCU (Net)	(391)
Corporate Resources	(510)
Territorial Policing and Crime	(168)
Central Operations	0
Video Conferencing	(77)
Mobile phones	(51)
Archiving project	(30)
Fleet internal hire arrangements	(25)
Utility uniforms	(13)
Total Savings Proposals	(4,192)
2012/13 Budget	200,307
PSA Funding Envelope	196,969
Funding gap (post savings)	3,338

Appendix D – Level of Budget Allocation to be managed within +/-5%

Level of budget aggregation required to be managed within +/- 5%	
Expenditure	
	Staff Costs
	Police Officer Pay
	Police Officer Overtime
	PCSO Pay
	PCSO Overtime
	Police Staff Pay
	Police Staff Overtime
	Non Staff Costs
	Premises
	Communications and Computers
	Vehicle Costs
	Travel and Hotels
	Supplies and Services
	Capital Charges etc.
	Total expenditure:
Income	Enhanced PSA
	Grants
	Other Income
	Total income:
	Total Net Budget: