Annual Report and Accounts 2011-12

Management commentary and content

Draft version

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MANAGEMENT COMMENTARY

Introduction

British Transport Police Authority
Annual Report and Accounts 2011-12

The British Transport Police Authority is an executive non-departmental public body of the Department for Transport, established under section 18 of the Railways and Transport Safety Act 2003.

This Annual Report is submitted to the Secretary of State for Transport under section 58 of the Act.

The audited financial statements in this report are for the year ended 31 March 2012. They have been prepared in accordance with the 2011 -12 Government Financial Reporting Manual (FReM) issued by HM Treasury. This statement of accounts for the British Transport Police Fund is presented to Parliament pursuant to Schedule 4, Part 3 17(b) of the Act.

These accounts meet the requirements of the Railways and Transport Safety Act 2003. The Statement of Comprehensive Income for the year is shown on page 49 and the Statement of Changes in Taxpayers Equity on page 52. The Statement of Financial Position and Statement of Cash Flows are shown on pages 50 and 51 respectively.

Ordered by the House of Commons to be printed 28 June 2012.

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Structure of the Police Authority

The membership of the Authority during 2011-12 is set out below:

Urmila Banerjee CBE
Chairman

BTPA responsibilities:
- Police Authority: Chairman
- Strategy group: Chairman
- Appointments and Remuneration Committee: Member
- Portfolio allocation: Chief Constable

Appointments outside BTPA:
- Ofcom: Non-executive Board member (ceased 30 June 2011);
- Postcomm: Chairman (ceased 30 September 2011);
- Peabody Trust: Trustee (ceased 9 November 2011);
- Working Links: Chairman (appointed 1 November 2011);
- Nominet Trust: Chairman (appointed 1 December 2011);
- High Sheriff of Greater London (appointed 14 March 2012);
- NHS Newham Primary Care Trust: Non-executive director (ceased 30 March 2012);
- Barts Health NHS Trust : Non-executive director (appointed 2 April 2012);

Sir David O'Dowd CBE, OStJ, QPM, DL, DipSoc, BA, MSc, DSc (Hon), CCMI
Deputy Chairman
Term expired 30 June 2011

BTPA responsibilities:
- Police Authority: Deputy Chairman
- Audit Committee: Chairman
- Appointments and Remuneration Committee: Chairman
- Policing plan group: Chairman
- Strategy group
- Portfolio allocation: Deputy Chief Constable

Appointments outside BTPA:
- University of Leicester: member of the court
- Deputy Lord Lieutenant for the County of Northamptonshire.

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Lew Adams OBE

Member with knowledge and experience of rail employee interests

BTPA responsibilities:

- Police Authority
- Professional Standards Committee
- Policing plan group
- Pensions working group
- Portfolio allocations: HR Director and London North area
- British Transport Police Force Superannuation Fund: pension management committee member;

Appointments outside BTPA:

- Brackenbury Manor Owners Limited: Chairman;
- Friends of the National Railway Museum, York: member;
- Transport Benevolent Fund: patron

Patrick Butcher

Member with knowledge and experience of providing railway services
Appointed 1 September 2011

BTPA responsibilities:

- Police Authority
- Strategy group

Appointments outside BTPA:

- Network Rail: Group Finance Director

Howard Collins

Member with knowledge and experience of providing railway services

BTPA responsibilities:

- Police Authority
- Professional Standards Committee
- Performance review group: Chairman
- Pensions working group: Chairman
- Portfolio allocations: London South area

Appointments outside BTPA:

- London Underground: Chief Operating Officer
- London Transport Museum: Trustee
- Transport for London Pension Fund: Trustee Director

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Ian Dobbs

Member with knowledge and experience of providing railway services
Term expired 5 September 2011

BTPA responsibilities:

- Police Authority
- Professional Standards Committee
- Strategy group
- Finance group: Chairman
- Portfolio allocations: ACC (Protective Services)

Appointments outside BTPA:

- Rail Value for Money study, Department for Transport / Office of Rail Regulation jointly-sponsored project: Deputy Chairman
- RC&M Services (UK) Ltd: Director

Colin Foxall CBE

Member with knowledge and experience of passenger interests in Wales

BTPA responsibilities:

- Police Authority
- Audit Committee: Chairman from 1 July 2011
- Portfolio allocations: Wales & Western area

Appointments outside BTPA:

- Passenger Focus: Chairman

Elizabeth France CBE

Member with knowledge and experience of passenger interests

BTPA responsibilities:

- Police Authority
- Professional Standards Committee
- Performance review group
- Policing plan group
- Portfolio allocations: North West area

Appointments outside BTPA:

- Office for legal complaints: Chairman
- Aberystwyth University: Vice-President
- Manchester University general assembly: member
- UK Public Affairs Council: Chair

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David Franks

Member with knowledge and experience of providing railway services
Appointed 1 September 2011

BTPA responsibilities:

- Police Authority
- Finance group
- Policing plan group
- Portfolio allocations: ACC (Central Operations)

Appointments outside BTPA:

- Keolis: Managing Director, UK Rail

Robin Gisby

Member with knowledge and experience of providing railway services
Term expired 30 June 2011

BTPA responsibilities:

- Police Authority
- Strategy group
- Policing plan group
- Portfolio allocations: ACC (Operations)

Appointments outside BTPA:

- Network Rail: Director, Operations and Customer Services

Michael Holden

Member with knowledge and experience of providing railway services

BTPA responsibilities:

- Police Authority
- Audit Committee
- Performance review group
- Policing plan group: Chairman from 1 July 2011
- Portfolio allocations: Director of Corporate Resources

Appointments outside BTPA:

- Coledale Consulting Ltd: Director
- Directly Operated Railways Ltd: Chief Executive Officer
- East Coast Main Line Company Ltd: Non-executive Chairman
- First Class Partnerships: Associate
- Railway Children Ltd: Director (non-remunerated), Trustee
- Pinewood Gymnastics Club Ltd: Director (non remunerated), Trustee

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James King

Member with knowledge and experience of passenger interests in Scotland
Term ended 12 June 2011

BTPA responsibilities:

- Police Authority
- Audit Committee
- Performance review group
- Policing plan group
- Portfolio allocations: Scotland area and ACC (Scotland)

Appointments outside BTPA:

- Marketing Principals International: Director
- Passenger Focus: member for Scotland (to July 2010)
- Public Transport Users' Committee: member for Scotland
- Fellow of the Chartered Institute of Logistics and Transport

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Neil Scales OBE

Member with knowledge and experience of providing railway services
Term expired 5 March 2012

BTPA responsibilities:

- Police Authority
- Professional Standards Committee
- Strategy group
- Performance review group
- Pensions working group
- Portfolio allocations: North East area

Appointments outside BTPA:

- Merseytravel: Chief Executive and Director General
- Edge Foundation: Trustee
- Museums and Galleries of Merseyside: Trustee

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Wendy Towers

Member with knowledge and experience of passenger interests in England

BTPA responsibilities:

- Police Authority
- Professional Standards Committee: Chairman
- Appointments and Remuneration Committee
- Finance group
- Portfolio allocations: London Underground & DLR area

Appointments outside BTPA:

- Security Industry Authority: Board member

Anton Valk

Member with knowledge and experience of providing railway services
Appointed 1 September 2011

BTPA responsibilities:

- Police Authority
- Appointments and Remuneration Committee
- Performance review group
- Strategy group

Appointments outside BTPA:
Abellio: Non Executive Chairman

Jeroen Weimar

Member with knowledge and experience of providing railway services

BTPA responsibilities:

- Police Authority
- Audit Committee
- Appointments and Remuneration Committee: Chairman from 1 July 2011
- Strategy group
- Finance group: Chairman from 5 September 2011
- Portfolio allocations: ACC (Territorial Policing)

Appointments outside BTPA:

- Serco UK: Managing Director, Transport
- Northern Rail & MerseyRail Electrics: non-executive Director
- Association of Train Operating Companies: Board member

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Chief Executive's Report

Principal activities

The British Transport Police Authority (BTPA) is the governing body for British Transport Police ('BTP'), responsible for overseeing the provision of an efficient and effective police service for the country's rail network. It is an executive non-departmental public body of the Department for Transport, established on 1 July 2004 under the Railways and Transport Safety Act 2003.

BTPA's other main statutory duty is to defray the expenses of the police force and the Authority through contributions from the Railway industry. In exercising its statutory duty the Authority consults widely to ensure that the railway community – train operators, their staff, and their passengers – receive the best possible value from British Transport Police.

BTPA also works closely with the Scottish Parliament, where policing and the ScotRail franchise are devolved, and the Welsh Assembly, which has oversight over some rail issues in Wales. The Police Authority's membership includes a member each for Scotland and Wales: these posts are appointed jointly with the devolved administrations and held by individuals with knowledge of rail passenger interests in their respective nations.

British Transport Police is the national police force for the country's rail network. It is responsible for policing the infrastructure maintained by Network Rail, and the trains and stations of 39 passenger and freight companies operating mainline rail services. It also provides a policing service to:

- **Transport for London services**: London Underground, Docklands Light Railway, Croydon Tramlink;
- **High Speed 1**;
- **DB Regio Tyne and Wear Metro** services in the northeast of England;
- **Midland Metro** services in and around Birmingham;

Together, these rail businesses provide a transport service to some six million people every day.

The rail network is a potential target for terrorist activity. The British Transport Police must therefore have an effective counter-terrorist capability which it continues to develop to match the threat. The police force has additionally developed significant expertise in dealing with organised events, providing a well co-ordinated national service for the controlled movement of large numbers of people across the network to attend major sporting and other events. During the summer of 2011 BTP was heavily involved in policing the public disorder around the major cities. BTP is also working to protect railway infrastructure, in particular the theft of line side metals, which has increased substantially over the last two years which has contributed to a reduction in reducing disruption on the rail network. The forthcoming year will also present

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the force with the additional challenges of the Olympic Games and all the additional related celebrations around the country.

Accounting Officer Role

I became the Principal Accounting Officer for BTPA on 12 April 2010. This was a change, since the role of Accounting Officer had been discharged by the Chief Constable from the foundation of BTPA in 2004.

The Accounting Officer is responsible for overseeing BTPA's responsibilities, which include developing a strategy, setting a budget, applying a charging model, recovering costs from the rail industry and monitoring British Transport Police's operational activities.

I appointed the Chief Constable as an additional Accounting Officer. These new arrangements have had no effect on the Chief Constable's policing responsibilities.

Key Performance Indicators

The Police Authority sets objectives for policing before the beginning of each financial year in a National Policing Plan. These objectives serve as the Police Authority's key performance indicators. Performance against the 2011-12 targets is included on pages 10 to 11. Local policing plans are also put in place each year to both support the national objectives and to recognise local initiatives and issues.

Improving efficiency

In December 2011, BTPA set the police force's 2012-13 budgets to be in line with the previous financial year, after a 2.5% absolute reduction in 2011-12. The budget has been maintained at the same level in 2012-13, when the police force will have a significant operational role during the Olympic Games. This represents a real reduction in the total costs of the police when inflation has continued to rise and has been achieved through improved efficiency

Employees and employee matters

Engagement with employees

The following staff associations operate in BTP:

- British Transport Police Federation
- Superintendents Association
- Transport Salaried Staff Association (TSSA)

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The following support groups operate in BTP:

- Association of Muslim Police
- Christian Police Association
- Disability Equality Support Association (DESA)
- LINK, the Lesbian, Gay, Bisexual and Transgender Support Network.
- Support Association for Minority Ethnic staff (SAME)
- Women's Support Forum

Employees also have access to the National Jewish Police Association.

Union recognition

BTP signed a voluntary agreement of recognition with the TSSA in September 2010, meaning all police staff can be represented by the union. The collective bargaining agreement means that TSSA will be able to recruit amongst BTP staff to represent their interests in negotiations and consultations.

BTP has a policy for Managing Disability in the Workplace which sets out the organisation's approach to disability equality. The policy aims to promote the overall health and wellbeing of all employees; putting in place an approach which stresses the importance of adopting an individual approach to each employee, ensuring adjustments are based on a specific assessment of their needs. The policy ensures that disabled employees are viewed in terms of their contribution and the value they bring to the organisation, translating into practice BTPA's commitment to make every effort to retain and develop the skills and knowledge held by its disabled employees.

During 2011-12 BTPA established a Creativity and Innovation process to involve all employees throughout the Force. Employees are encouraged to generate ideas which have the potential to be converted into practical actions to improve service and promote efficiency. All senior employees also receive financial awareness training as part of BTPAs senior leadership programme.

Resource availability

A high level of attendance from officers and staff is essential to BTP's service. The 2011-12 Policing plan set a target of less than 7.7 days of sickness absence per employee. The results were as follows:

	2011-12	2010-11
Police officers	7.2	7.9
Police staff	7.1	7.0
Police Community Support Officers ('PCSO')	11.0	8.7
Overall	7.4	7.7

Overall the level of sickness has reduced. The high level of Community Support Officer sickness was influenced by several long-term sickness cases between March and June 2011, when only 19 percent of sickness absence was short-term. However, the proportion of short-term sickness rose between

November 2011 and March 2012 to 41 percent. The Police Authority will continue to monitor PCSO sickness over the coming year.

The staff costs and details on the average number of persons employed are set out in note 4 to the accounts.

A fresh approach to doing business

Business cycle

2011-12 was the second year of BTPA's new business cycle, established to ensure the Police Authority is presented with the essential information to assess the effectiveness and efficiency of the police force and take appropriate action.

The Authority now meets seven times a year. There are three Authority meetings where there is both a fixed agenda and specific annual decisions and approvals are required.

Communications strategy

The reporting period was the second year of BTPA's communications strategy, designed to better engage the Police Authority's stakeholders. These were grouped into six broad groups:

- Police Service Agreement holders;
- Rail passengers, national and regional passenger representative groups;
- Police and rail staff, and their representatives;
- 'Rail UK' (e.g. Department for Transport, Office for Rail Regulation and the Rail Accident Investigation Branch);
- 'Policing UK' (e.g. ACPO, APA, HMIC);
- Governments in Westminster, Scotland and Wales (including Transport for London);

These stakeholders were consulted during the refresh of BTPA's rolling three-year strategy to 2015, for which work was underway during the reporting period, and the 2012-13 Policing Plan, which was approved on 29 March 2012. Rail company representatives were invited to participate in a stakeholder workshop in September 2011, in which they had the opportunity to discuss issues relating to policing for their services.

Operators were also consulted during the reporting period over BTPA's plans to introduce an updated Policing Service Agreement (PSA) from 2013 to ensure that all the core PSA holders are on a standard contract and are charged through the same charging model in order to recover all their costs from the Rail industry.

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Value for money
BTP's operating cost remained an important issue for all members of the railway community. In December, the Police Authority agreed to set a net budget of £198.8 million for core policing in 2011-12. This represented a 2.5% reduction from the previous year. In 2012-13 the Authority maintained the budget at the same level as 2011-12 which represents a reduction in real terms for the police force. In taking this difficult funding decision BTP aligned itself with partner organisations in the railway and policing worlds, both of which have absorbed significant financial pressure.

In addition, BTP successfully met its first policing plan targets surrounding value for money measures. The number of officers in organisational support roles at Force Headquarters was reduced by 10 percent during the reporting period, while non-staff costs were reduced as a percentage of staff costs by 23 percent.

Developments in the rail and policing worlds

In March 2012, the Department for Transport published its "Command Paper", a response to the previous year's McNulty review of the railways. The paper set out the Government's vision for the rail system, alongside the policies that are needed to realise that vision. Making life better for customers – both passengers and freight users – was defined as being at the heart of the approach. There was also mention of making the railways financially sustainable in the longer term, so they can contribute to the country's economic growth and environmental goals.

Although the provisions of the paper did not relate to British Transport Police directly, any future change to the structure of Network Rail and the rail franchising system would have any implications on police operations on the network. Any such changes will be monitored in the coming year and acted upon as appropriate.

Also in March 2012, Tom Winsor published a second and final report into longer-term improvements to remuneration and terms and conditions in the police service. The contents of the report, and any formal Home Office response to it, will be closely considered by BTPA beyond the end of the reporting period, as part of BTPA's established practice to adopting best practice from across the policing world.

During the reporting period, the Police Reform and Social Responsibility Bill became law. Although the new Act's provisions do not affect BTPA directly, they do create a new policing environment particularly in the area of police accountability, where new elected Police and Crime Commissioners are to be introduced in every English and Welsh police force outside of London. BTPA will closely follow the implementation of the new commissioners with a view to reflecting any good practice that emerges.

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Research and development activities

BTP undertakes research into a wide range of activities. The findings are used to develop and improve BTP's operational and support capabilities to deliver its key objectives to reduce and investigate crime and provide public safety and assurance as well as the overall efficiency of BTP.

Some notable examples include:

- Regular strategic reviews of the external environment in which BTP will be operating in the short and medium term to provide a guide and reference tool for its decision makers;
- Consultation with passengers, victims of crime, rail staff and other stakeholders to ensure that their views are taken into account when setting targets and priorities;
- Identification and sharing of best practice with other police forces and organisations to improve processes and ways of working;
- Increased use of mobile data technology to increase time spent by officers on core policing duties;
- Regular analysis of intelligence and other information to optimise use of resources.

Environmental matters

As part of BTP's environment strategy, British Transport Police worked during 2011-12 to:

- ensure all of our new works and projects met legislative requirements;
- design energy efficiency into our new buildings, equipment and services;
- reduce material consumption in our operations;
- reuse rather dispose of, whenever possible;
- promote recycling and the use of the recycled materials within the organisation.

For the coming year, BTP has developed its base position and is meeting a new range of reporting data relating to energy and water consumption, waste disposal and recycling. A detailed Sustainability Report has been included on page xx.

Personal data related incidents

There were no incidents relating to personal data at BTPA in 2011-12.

Estates

British Transport Police Authority does not hold extensive estates. The majority of its property is leased from Network Rail.

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BTPA's year in review

Performance

Policing plan 2011-12 national targets

National Policing Plan Objectives	2011-12		2010-11
	Performance	Target	Performance
1. Reduce the number of disruption related offences from the level recorded in 2010-11.	11,612	12,801	12,768
2. Reduce the number of notifiable offences (excluding police-generated) from the level recorded in 2010-11.	50,924	55,669	55,590
3. To at least maintain the 2010-11 detection rate for serious VAP, sexual and robbery offences	46%	38%	38%
4. Reduce the number of staff assaults from the level recorded in 2010-11.	2,549	2,701	2,682
5. Reduce the number of anti-social behaviour incidents (excluding police-generated) from the level recorded in 2010-11.	17,199	18,592	18,613
6. Increase the proportion of our resources devoted to NPT and response policing between 8pm and 1am.	17%	15%	n/a
7. Average sickness per employee to be less than an average of 7.7 days	7.39	7.7	7.68
8. All non-suspicious fatalities to be cleared within an average of 90 minutes.	76 mins.	90 mins.	81 mins.
9. To respond to at least 80% of all immediate incidents within 20 minutes.	91%	80%	n/a
10. Reduce the number of officers in organisational support roles at Force Headquarters by at least 10%	87	89	n/a
11. Reduce non-staff costs as a percentage of staff costs by at least 1.5 percentage points	23%	27%	n/a

Targets marked "not applicable" (n/a) were set for the first time in 2011-12 and had no comparable objective in 2010-11.

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Cable theft

One of the greatest challenges facing the safety and security of the network policed by BTP in recent times is cable theft. Copper prices have increased dramatically in recent years and, in parallel, incidents of cable theft have soared. Very often, the stolen cable is sold on as scrap. Live cable offences on the railway continue to cause significant disruption to the network. So long as copper prices continue to rise, cable theft will continue to be a major challenge for BTP and the rail industry.

In recognition of this, the Home Secretary announced in January 2012 that the Government intends to lay an urgent amendment to the Legal Aid, Sentencing and Punishment of Offenders Bill to "create a new criminal offence to prohibit cash payments to purchase scrap metal, and significantly increase the fines for all offences under the existing Scrap Metal Dealers Act 1964 that regulates the scrap metal recycling industry". The outcome of this legislation would have significant effect on BTPs operations to combat metal theft on the railways; however, by the end of the reporting period, the Bill was still being debated in Parliament and had yet to become law.

Disruption target

Through our stakeholder consultation activity in recent years ‘reducing disruption’ has emerged as a new priority for our industry partners and as a result became a priority theme in our rolling strategic plan and 2012-13 Policing Plan. In 2012-13 BTP will work closely and imaginatively with rail industry partners not only to prevent disruption but, when it does occur, to minimise its impact at a number of key locations across the rail network.

Activities

Consultations

In the course of its business in 2011-12 BTPA consulted a wide range of stakeholders, including Network Rail, Transport for London, Passenger Focus, London TravelWatch, the Train and Freight Operating Companies with which it holds a Police Service Agreement and the Association of Train Operating Companies. These consultations were conducted both in writing and in person.

In addition, BTPA held a policing plan workshop on 22 September 2011 to consult its stakeholders on particular issues.

Independent custody visits

Independent custody visitor panels comprise of volunteers who visit police custody facilities, usually in pairs, on a weekly or monthly basis depending on the size of the facility. Visits are, as far as possible, random and unannounced with the volunteers speaking with those being held in police custody to ensure their welfare needs are being met, as well as inspecting the conditions in which detainees are being held. Volunteers then report back to both BTP and BTPA with any recommendations. Visits have been made over the past year to BTP facilities in Glasgow, London, and Manchester.

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Staff changes

A number of senior staffing changes were made at British Transport Police and its Police Authority in 2011-12:

BTPA Members

Sir David O'Dowd's term as BTPA's deputy chairman came to an end on 30 June 2011 after seven years in the role with the Authority.

James King, a longstanding member with knowledge of passenger interests in Scotland, sadly passed away in June 2011.

Three members with knowledge of industry interests resigned during the reporting period. Ian Dobbs and Robin Gisby resigned in the summer of 2011, while Neil Scales resigned in March 2012.

Brian Phillpott was appointed during the reporting period as BTPA's new deputy chairman, effective 1 April 2012.

On 1 September 2011, Transport Minister Theresa Villiers appointed Patrick Butcher, David Franks and Anton Valk to BTPA's membership, all as members with knowledge of industry matters.

Len Jackson was appointed as a BTPA member with knowledge of passenger interests during the reporting period, effective 1 May 2012.

BTPA Executive

There were no changes in the structure of the Executive. Andrew Figgures remains the Chief Executive and Elizabeth Pike remains the Authority Finance Director.

BTP senior officers

Paul Beasley left as Assistant Chief Constable (Protective Services) in May 2011. Sharon Burd, Director of Finance and Corporate Services, left BTP in January 2012.

Francesca Okosi joined BTP's Senior Command Team in August 2011 as the first Director of Corporate Resources, a new role combining finance and human resources responsibilities.

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Finance Director's report

Financial position

The net deficit is £19.0m, £11.6m of which relates to an IAS19 pensions accounting adjustment. Once the grant in aid received from the DfT relating to the Olympics (£2.5m), the structural gap (£5.3m), the direct costs of the public disorder (1.6m), the cable theft funding (£0.7m) and other smaller adjustments, the operating surplus was £1.2m. Stringent cost control during the year has enabled us to transfer £3.3m of the operating surplus in 2011-12 to the following year and will be used to reduce the charges for the PSA holders in 2012-13. An additional £0.6m has been transferred to the Contingency reserve, which now totals £3.3m.

Pension arrangements

BTP has adopted IAS 19 (Employee Benefits) in full. This has resulted in all the assets and liabilities for each defined benefit scheme run on BTP's behalf by Railways Pension Management Ltd being disclosed (see Note 25 and 26 to the accounts). The accounting policy for pensions is disclosed in Note 1.21 to the Accounts.

Going concern

The opening financial position as at 1 April 2011 shows net pension liabilities of £203.3m.

The net liability of the scheme on 31 March 2012 was £306.3m, an increase of £103.0m in the year. This increase is caused by losses on the schemes investments of £50.2m and increased liabilities principally from a rise in future inflation. This liability is accounted for as a negative pension reserve. The Department for Transport, as BTPA's sponsoring department, has agreed to underwrite any pension shortfalls.

BTPA is confident that sufficient resources are available (from Police Service Agreements ("PSAs"), from service income and from grants from the DfT) to meet its approved expenditure needs because of the agreement with the DfT to fund any shortfall in income until 2012-13. Accordingly it is considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Creditor payments

BTP observes the principles of the Department of Business, Innovation & Skills (BIS) "Prompt Payment" guidance and aims to pay all approved invoices in accordance with its stated payment terms or otherwise within 30 days of receipt of a valid invoice. Copies of the guidance are available from BIS. The

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BTPA uses the Government Procurement Card for small low risk payments. These are paid immediately to the supplier and are not included in the statistics above.

BTP had agreed a performance target for 2011-12 of 90% of invoices paid within 30 days of receipt of invoice; in 2011-12 performance was 88% (2010-11 90%). On average BTPA takes 15 days from receipt of invoice to payment.

Judicial Review

In April 2007 a new charging model was introduced by BTPA in order to improve the allocation of costs to PSA holders through a better approximation of the nature and extent of the policing activity attributable to each PSA holder. All charges were calculated based on the new charging model. The introduction of the new charging model was challenged by two PSA holders through a Judicial Review ("JR"). Prior to the JR, one PSA holder invoked an arbitration process; this began in January 2007 and was held in abeyance pending the results of the JR.

The judgement in the JR was issued on 20 March 2009. It found in favour of the challenge and ruled that the new model could not be imposed on 'old' PSA holders. The only way that 'old' style PSA holders can be charged on a new charging model is by terminating the old PSA's and entering into a new PSA. The result was that for those PSA Holders on the "old PSAs", the charges for 2007-08 and 2008-09 (and future years) until existing agreements come to the end of their term on 31 March 2013) could not be calculated according to the new model and the formula which operated previously had to be applied in their case. "Old PSA" holders that were charged in 2007-08 and 2008-09 according to the new model had their charges recalculated according to their "old PSA". As a result, some were entitled to refunds, because their revised charge is less than the original amount billed, and some were required to pay more, because the revised charge is more than the amount originally billed. The result of the Judicial Review into core PSAs and the accounts for 2008-09 reflected the impact of the review in so far as it affected core PSA charges up to 31 March 2009. The ongoing impact of the judgment has been reflected in the 2011-12 accounts.

There is a formal agreement in place with the DfT which provides for cover for the cash flow shortfalls and to meet any structural gaps arising from two different charging models to recover the total costs of the Authority. This agreement ceases on 31 March 2013 when the new PSA and the standard charging model is intended to be implemented.

On 1 April 2011 an agreement was reached with a PSA holder which reduced their charges by £3,696k. This arose directly from the Judicial Review process and a previous mediation. On 31 March 2011 the DfT approved the conversion of this amount from loan to financing. This was treated as an adjusting event after the reporting period and was therefore fully reflected in last year's financial statements.

In 2011-12 the structural gap between the PSA income derived from the two charging mechanisms and the costs to be recharged totalled £5,327k and has been met by the DfT.

Auditors

The accounts of the Fund are audited by the Comptroller and Auditor General (C&AG) under the Railways and Transport Safety Act (2003). The cost of the audit is £110,000. The C&AG does not undertake any non audit work for the BTPA.

As far as the Chief Executive, as Accounting Officer for the BTPA and the Finance Director are aware, all relevant audit information has been made available to the auditors. The Chief Executive has taken all necessary steps required to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Post-statement additions

There are none.

The date the accounts are authorised for issue is the date that they are certified by the Comptroller and Auditor General.

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Statement of Accounting Officer's responsibilities

Under the Railways and Transport Safety Act (2003) the Secretary of State for Transport has directed the BTPA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the BTPA and of its income and expenditure, cash flows and taxpayers equity for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Secretary of State including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on a going concern basis.

The Accounting Officer of the Department has designated the Chief Executive as the Principal Accounting Officer of the BTPA from 12 April 2010. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the BTPA's assets, are set out in the HM Treasury publication Managing Public Money.

The Chief Constable has been appointed as an additional Accounting Officer.

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British Transport Police Authority

Remuneration Report

Remuneration Policy

The Remuneration Policy for Authority Members is determined by the Department for Transport. Before 26 May 2011, the remuneration policy for senior officers of the Authority and Force, with the exception of the Chief Officer group, was approved by the full Authority and was in line with the guidelines of the Police Negotiating Board. The Chief Officer Group appointment was made by the Chief Constable Appraisal Board. From 26 May 2011 the terms of reference of the Chief Constable Appraisal Board were amended and renamed the Appointments and Remuneration Committee. Its membership is detailed in the structure of the Police Authority on pages 4 to 9. Its responsibilities are set out on page 49 of the Governance Report.

Members and Senior Officers – Appointments and Service Contracts

The Authority must contain representation from various groups as set out in the Railways and Transport Safety Act, including at least four persons who have knowledge of and experience in relation to the interests of persons travelling by railway, and at least four persons who have knowledge of and experience in relation to the interests of persons providing railway services.

Members of the Authority are appointed by the Secretary of State for Transport, with the intention that the Authority represents and is informed of the views and interests of these groups.

Accordingly the current composition of the Authority is as follows:

- Chair – Urmila Banerjee CBE;
- Deputy Chair - vacancy
- 6 members with knowledge and experience in relation to the interests of persons providing railway services;
- 1 member who has knowledge of and experience in relation to the interests of employees;
- 3 members who have knowledge of and experience in relation to the interests of persons travelling by railway including those listed below;
- 1 member who has knowledge of and experience in relation to the interests of persons in Scotland and who is appointed following consultation with the Scottish Minister. This position is currently vacant.
- 1 member who has knowledge of and experience in relation to the interests of persons in Wales and who is appointed following consultation with the National Assembly for Wales; and
- 1 member who has knowledge of and experience in relation to the interests of persons in England; and passengers.

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Appointment/Service Contracts

The table below provides details of appointment and service contracts for Authority Members and Senior Officers for 2011-12.

Members	Commencement of Contract	Term expiry date as at 31 March 2012	Notice period required	Main role
Urmila Banerjee CBE	01-12-2008	30-11-2012	3 months	Chairman
Sir David O'Dowd CBE, OStJ, QPM, DL, DipSoc, BA, MSc, DSc(Hon), CCMI	01-07-2004 (last renewed 01-07-2007)	30-06-2011	3 months	Deputy Chairman
Lew Adams OBE	01-07-2004 (last renewed 01-07-2010)	30-06-2014	3 months	Employee Matters
Patrick Butcher	01-09-2011	31-08-2015	3 months	Knowledge of Industry
Howard Collins	01-09-2009	31-08-2013	3 months	Knowledge of Industry
Ian Dobbs	12-02-2008	05-9-2011	3 months	Knowledge of Industry
Colin Foxall CBE	04-01-2005 (last renewed 01-07-2009)	03-01-2013	3 months	Passenger Interests & Wales
David Franks	01-09-2011	31-08-2015	3 months	Knowledge of Industry
Elizabeth France CBE	01-07-2010	30-06-2014	3 months	Passenger Interests
Robin Gisby	01-07-2004 (last renewed 01-07-2010)	30-06-2011	3 months	Knowledge of Industry
Michael Holden	01-07-2004 (last renewed 01-07-2008)	30-06-2012	3 months	Knowledge of Industry
James King	01-07-2004 (last renewed 01-07-2008)	12-6-2011	3 months	Passenger Interests and Scotland
Neil Scales OBE	01-09-2009	05-03-2012	3 months	Knowledge of Industry
Wendy Towers	01-07-2004 (last renewed 01-07-2008)	30-06-2012	3 months	Passenger Interests and England
Anton Valk	01-09-2011	31-08-2015	3 months	Knowledge of Industry
Jeroen Weimar	01-07-2006 (last renewed 01-07-2010)	30-06-2014	3 months	Knowledge of Industry

Members do not receive termination payments when they leave the Authority.

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Appointment/Service Contracts *(continued)*

Authority Officers	**Commencement of Contract**	**Term expiry date as at 31 March 2012**	**Notice period required**	**Main role**
Andrew Figgures	29-03-2010	Permanent Appointment	6 months	Chief Executive
Elizabeth Pike	01-06-2004	Permanent Appointment	6 months	Authority Finance Director
Strategic Command Team	**Commencement of Contract**	**Term expiry date as at 31 March 2012**	**Notice period required**	**Main role**
Andrew Trotter	01-09-2009	31-08-2014	6 months	Chief Constable
Paul Crowther	15-09-2009	Permanent appointment	6 months	Deputy Chief Constable
Paul Beasley	02-08-2010	12/05/2011	3 months	ACC (Protective Services)
Alan Pacey	09-01-2006	Permanent appointment	3 months	ACC (Territorial Policing & Crime))
Stephen Thomas	01-07-2007	Permanent appointment	3 months	ACC (Central Operations)
David McCall	08-03-2004	Permanent appointment	3 months	ACC – Scotland
Francesca Okosi	03-10-2011	Permanent appointment	3 months	Director of Corporate Resources
Teresa Hickman	19-08-2010	02-10-2011	3 months	Acting Director, HR
Sharon Burd	01-01-2008	31-01-2012	3 months	Director, Finance & Corporate Services

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Remuneration of Members and Senior Officers

The policy on remuneration is determined by a number of factors, some of general consideration, and some that are specific to the transport/policing/security industries.

The general factors taken into consideration are:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities; and
- the regional/local variations in labour markets and their effects on the recruitment and retention of staff.

Specific factors relate to policies and guidelines from the National Police Authorities, Police Negotiating Board and the Association of Chief Police Officers (ACPO), and these will influence the remuneration arrangements for both Chief Officers and other 'non federated' ranks such as Superintendents.

For police support staff, collective bargaining with recognised employee associations determines annual settlements.

Members of the Authority only receive non-pensionable allowances, and their expenses are reimbursed in relation to the time they spend on Authority business, e.g. meeting attendance, travel, subsistence, etc. The Members' salary and allowances are set by the Secretary of State following consultation with the Authority. The members are paid from the BTPF funded by the PSA holders.

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The salary of Members and Senior Officers (Audited)

	2011-12			2010-11		
	Salary	Bonus	Benefits in kind (to nearest £100)	Salary	Bonus	Benefits in kind (to nearest £100)
Members	**£000**	**£000**	**£**	**£000**	**£000**	**£**
Urmila Banerjee	30-35	-	-	30-35	-	-
Sir David O'Dowd	† 5-10	-	-	25-30	-	-
Lew Adams	15-20	-	-	15-20	-	-
Patrick Butcher	* -	-	-	-	-	-
Howard Collins	15-20	-	-	15-20	-	-
Ian Dobbs	# 5-10	-	-	∞ 30-35	-	-
Colin Foxall	15-20	-	-	15-20	-	-
Elizabeth France	15-20	-	-	# 10-15	-	-
David Franks	# 5-10	-	-	-	-	-
Robin Gisby	* -	-	-	* -	-	-
Michael Holden	15-20	-	-	15-20	-	-
James King	# 0-5	-	-	15-20	-	-
Neil Scales	15-20	-	-	15-20	-	-
Wendy Towers	15-20	-	-	15-20	-	-
Anton Valk	# 5-10	-	-	-	-	-
Jeroen Weimar	# 0-5	-	-	* -	-	-
* No salary taken ∞See below note Full year equivalent: † £25k-£30k # £15k-£20k						
Authority Officers						
Andrew Figgures	100-105	-	9,300	95-100	-	2,300
Elizabeth Pike	100-105	0-5	15,600	85-90	-	11,300
Strategic Command Team						
Andrew Trotter	165-170	15-20	35,600	165-170	-	28,800
Paul Crowther	145-150	20-25◊	9,800	135-140	-	15,700
Paul Beasley	15-20	-	700	60-65	-	6,100
David McCall	95-100	-	23,700	90-95	-	25,200
Alan Pacey	100-105	15-20◊	20,700	100-105	-	21,300
Stephen Thomas	100-105	5-10	17,900	100-105	-	18,800
Sharon Burd	125-130	-	9,600	90-95	-	11,200
Teresa Hickman	80-85	0-5	7,900	75-80	0-5	6,300
Francesca Okosi	55-60	-	5,800	-	-	-

◊ Bonus payments made in 2011-12 relates to performance related bonuses earned in 2010-11 and 2009-10. All other bonus payments relate to 2010-11 only.

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Ian Dobbs was also employed as a consultant by the Authority in 2010-11 and was paid £15,392 for post Judicial Review work. These fees were paid to RC&M Services (UK) Ltd. In total £7,928 was paid to RC&M Services during 2011-12 (2010-11 £34,122). This includes £7,928 (2010-11 £18,730) for services as a member of the Authority.

	2011-12	2010-11
	£000	£000
Band of highest paid senior officer (including bonus and benefits in kind)	220-225	195-200
Median total remuneration	£35,796	£35,081
Ratio	6.2	5.6

BTPA is required to disclose the relationship between the remuneration of the highest paid senior officer and the median remuneration of BTPA's workforce.

The banded remuneration of the highest paid senior officer in BTPA in the financial year 2011-12 was £220k-£225k (2010-11 £195k-£200k). This is the Chief Constable who is not the Accounting Officer for BTPA, but is an Additional Accounting Officer for BTP. This was 6.2 times (2010-11 5.6 times) the median remuneration of the workforce, which was £35,796 (2010-11 £35,081).

In 2011-12 no (2010-11 zero) employees received remuneration in excess of the highest paid senior officer. Remuneration ranged for £15,337 to £171,297 (2010-11 £14,862 -£146,706).

The increase in the median from 2010-11 to 2011-12 is caused to incremental increases within grades for both police officers and staff. The pay award in 2011-12 for both officers and staff was zero.

Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as severance payments. It does not include benefits in kind relating to safeguarded travel as it affects a small proportion of total employees and does not affect the median. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Salary

Salary includes reference salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, and any other allowance to the extent that it is subject to UK taxation. Expenses are not included as they are reimbursed on production of a valid receipt. Under the Authority's salary sacrifice scheme employee pension contributions are paid by the employer and the employee's salary is reduced by the pension payment. The pension contribution paid by the employer for the employee is shown as a benefit in kind.

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Bonus Payments

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the year prior to that reported, so that any bonus paid in 2011-12 relates to performance in 2010-11 and the comparative bonus paid in 2010-11 relates to performance in 2009-10.

As at 31 March 2012 no decision had been made on bonuses for 2011-12.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument. The benefits in kind received are healthcare, the use of a vehicle and other travel benefits. The amount paid by the employer under the pension salary sacrifice scheme is shown as a benefit in kind.

The Authority operates a pension salary sacrifice scheme whereby the employee agrees to the employer paying their pension contribution and in return receives a salary reduced by the amount of the contribution.

Performance Pay

In accordance with the guidelines of the Police Negotiating Board, a performance management regime has been implemented, where objectives for the Strategic Command Team are agreed by the Authority. The performance development reviews are initiated at the year end by the Chief Constable for the Strategic Command Team and the Chief Executive for the Authority's Executive. These are assessed by the Chief Officer Appraisal Panel in accordance with the guidance contained in the PNB circular as modified to the particular circumstances of BTPA. Any bonus paid is based on this assessment.

Pension Benefits

Railways Pension Scheme – for Authority Officers and Support Staff

Pension benefits are provided for BTPA and BTP staff through the Railways Pension Scheme British Transport Police Section. This is a registered pension scheme and intended to be a fully funded scheme which provides benefits on a "final salary" at a normal retirement age of 60. Benefits accrue at the rate of 1/60th of final average pay (less 1/40th of the final average basic state pension) for each year of pensionable service. In addition, a lump sum equivalent to 1/40th of pensionable pay for each year of service is payable on retirement. Members currently pay contributions of 10.06 per cent of pensionable earnings (less 1.5 times the basic State Pension). Pensions in payment and deferment are increased in line with Orders made under the Pensions (Increase) Act 1971.

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On death, pensions are payable to the surviving spouse at the rate of half the member's pension. On death in service the scheme pays a lump sum death benefit of 4 times pensionable pay and also provides a service enhancement on computing the spouse's pension, which depends on length of service.

Medical retirement is possible in the event of serious ill-health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

British Transport Police Force Superannuation Fund – for Police Officers

Pension benefits are provided for Police Officers through the British Transport Police Force Superannuation Fund. This is a registered pension scheme and intended to be a fully funded scheme which provides benefits on a "final salary" basis. There are two benefit structures in place for members who joined the Fund before and after 1 April 2007.

For Fund members before 1 April 2007 the normal retirement age is 55. Benefits accrue at the rate of 1/45th of final average salary (less 1/30th of final average state flat rate pension) for each year of beneficial membership. In addition, a lump sum equivalent to 1/30th of pensionable salary for each year of beneficial membership is payable on retirement. Members currently pay contributions of 16 per cent of pensionable earnings (less 1.5 times the basic State Pension). Pensions in payment and deferment are increased in line with orders made under the Pensions (Increase) Act 1971.

For Fund members who joined on or after 1 April 2007 the normal retirement age for retirement from service is 55 and for retirement from deferment it is 65. Benefits accrue at the rate of 1/70th of final average salary for each year of service. In addition, a lump sum equivalent to 4/70th of pensionable salary for each year of service is payable on retirement. Members currently pay contributions of 10 per cent of pensionable earnings. Pensions in payment and deferment are increased in line with orders made under the Pensions (Increase) Act 1971.

On death, pensions are payable to the surviving spouse or eligible dependant at the rate of half the member's pension and pensions are available for the member’s two youngest children. Survivors’ pensions may not be payable in respect of members who joined after 1 April 2007 if they have less than two years’ service. On death in service the scheme pays a lump sum death benefit of 4 times pensionable salary and also provides a service enhancement on computing the spouse's pension, which depends on length of service.

Medical retirement is possible in the event of incapacity. In this case, pensions are brought into payment immediately without actuarial reduction. If the member is unable to work in any capacity (not only as a police officer) they may be granted an enhanced pension at the Trustee’s discretion.

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Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

CETV's are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to another pension scheme.

The increase in CETV effectively funded by the employer is shown. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) utilising commonly–used standard market valuation factors for the start and end of the year.

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Pension Benefits (audited)

Officials	Accrued values at pension age as at 31/03/12		Real increase values at pension age		CETV at 31/03/12	CETV at 31/03/11	Real increase in CETV
	Pension	Lump Sum	Pension	Lump Sum			
	£000	£000	£000	£000	£'000	£000	£000
Authority Officers							
Andrew Figgures	0-5	0-5	0-2.5	0-2.5	58	n/a	58
Elizabeth Pike	5-10	5-10	0-2.5	0-2.5	74	46	28
Strategic Command Team							
Andrew Trotter	20-25	15-20	2.5-5.0	2.5-5.0	456	n/a	456
Paul Crowther	90-95	65-70	0-2.5	2.5-5.0	2,279	1,641	638
Paul Beasley	0-5	0-5	0-2.5	0-2.5	15	11	4
Alan Pacey	70-75	65-70	2.5-5.0	5.0-7.5	1,750	1,547	203
David McCall	15-20	15-20	0-2.5	2.5-5.0	395	n/a	395
Stephen Thomas	5-10	25-30	0-2.5	5.0-7.5	87	71	16
Teresa Hickman	10-15	15-20	2.5-5.0	0-2.5	117	86	31
Francesca Okosi	0-5	0-5	0-2.5	0-2.5	10	-	10
Sharon Burd	Retired on 31 January 2012.						

Note: there were instances where the actuary was unable to provide CETV figures for 31 March 2011. This has been resolved for 31 March 2012 and the increase is recorded as the full amount as at 31 March 2012.

Compensation for Loss of Office (audited)

Paul Beasley left BTP under voluntary severance on 11 May 2011 and received a termination payment of £55,503.
Sharon Burd left BTP under compulsory redundancy on 31 January 2012 and received a termination payment of £54,437.

A.C. Figgures CB CBE

Accounting Officer

Date 15 June 2012

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SUSTAINABILITY REPORT

Performance

The British Transport Police Authority recognises that its operations have a significant impact on the environment and deplete the earth's finite natural resources. It also recognises that global environmental pressures are leading to increased operational running costs. The sustainability agenda is already closely aligned with the BTPA Strategic Plan objective to deliver value for money through continuous improvement and through the annual Policing Plan there has been a target to reduce non-pay expenditure to within 23% of overall budget.

BTP is for the first time developing a Sustainability Strategy to become a more sustainable Force by reducing carbon emissions, mitigating environmental impacts and minimising running costs. In March 2012 BTP recruited a Sustainability Manager to lead on the development of the Sustainability Strategy and ensure the Force is able to achieve its targets and comply with the mandatory reporting requirements. This strategy will seek to meet BTP's obligations to comply with reporting to the Greening Government Commitment (GGC) and will align with the over-arching sustainability strategy set by the Department for Transport.

The following quantitative targets must be achieved under GGC:

- a 25% reduction in carbon emissions from buildings and transport
- a 20% reduction in business travel flights
- a 25% reduction in waste
- a 10% reduction in paper consumption
- a net reduction in water consumption per full time employee.

To date, BTP is on schedule to meet these targets. BTP began assessing its environmental footprint for the first time in 2011-12 as part of the required reporting to the Carbon Reduction Commitment (CRC) and GGC. The key objective has been the collection of three years of utility data (electricity, gas, oil, waste, water) from 140 premises across seven regional operations, from a variety of suppliers. The data collected for BTP's initial reporting to CRC and GGC now provides a platform against which to measure progress and understand BTP's carbon footprint. For the first time BTP is developing an information-rich picture of its environmental impact and can use these data to develop an intelligent and targeted strategy for reducing its impact on the environment.

This exercise has also identified a need to develop robust systems for the recording of accurate usage and disposal data alongside the established financial recording systems. A key strand of the

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Sustainability Strategy will be to enhance the recording and reporting of sustainability data. This will allow better future management of environmental impacts and costs.

Summary of Performance

Sustainability performance (Table 1) has been measured using the criteria set out in the GGC.

Table 1: Environmental Performance against Greening Government Commitment Quantitative Performance Indicators

		2009-10 Performance	2011-12 Performance	Change
Greenhouse Gas (GHG) Emissions from Energy* and Travel		7667 tCO_2	6718 tCO_2	-12.4%
Electricity**	Energy Emissions	7,661,351 kWh 4,019 tCO_2	6,362,440 kWh 3,337 tCO_2	-17%
	Expenditure	£1,039,551	£981,712	-£57,839
Gas**	Energy Emissions	2,769,976 kWh 509 tCO_2	1,750,277 kWh 321 tCO_2	-37%
	Expenditure	£128,757	£89,332	-£39,425
Business Travel***	Rail	65.3 tCO_2	24.4 tCO_2	-63%
	Domestic Air	33.5 tCO_2	8.2 tCO_2	-76%
	International Air	23.9 tCO_2	1.1 tCO_2	-95%
	Business Travel Expenditure	£260,609	£102,564	-£158,045
	Fleet Owned	3,016 tCO_2	3,026 tCO_2	+0.3%
	Total Travel	3,139 tCO_2	3,060 tCO_2	-2.5%
Waste****	General Waste Weight	453 tonnes	400 tonnes	-12%
	General Waste Expenditure	£67,961	£60,071	-£7,890
Water*****	Volume	26,874 m^3	22,156 m^3	-18%
	Expenditure	£54,353	£45,977	-£8,376
Procurement	Office Paper	17,851 reams	15,303 reams	-14%

**Carbon emissions from oil use are included in the GHG emissions data.*
***No data for travel on London Underground, taxis, buses, trams, coaches, mileage claims using grey fleet (staff's own vehicles) or Government Procurement Card. No data available for refrigerant gas consumption in air conditioning systems. No data yet available on paper procurement.*

GHG Emissions – Buildings

BTP is a national police force with 140 leased properties across England, Wales and Scotland. The geographical spread of the Force and its lack of ownership of premises present a challenging context in which to tackle sustainability across the estate.

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The Force is undertaking an Estates Rationalisation Programme aimed at reducing the overall cost of the estate by 10% over four years to 2014-15. The Project will start in London with the consolidation of three premises into one and will establish the space allocation and building design principles for a reduced estates footprint in future.

The Force Headquarters' building management system and heating controls were upgraded to allow greater control, such as day temperature sensing.

100 IT servers were virtualised in 2011-12 onto four physical servers. 95% of the available servers have now been virtualised and a roll-out of thin-clients PCs is planned for 2012-13 as part of a desktop replacement scheme. Hot and cold aisles were introduced to the IT server room at the headquarters building in April 2011 to improve air conditioning efficiency.

GHG Emissions – Business Travel

BTP daily polices over 10,000 miles of the national rail system, more than 2,500 national rail stations and 5.5 million passengers on national rail, London Underground and the Docklands Light Railway. This requires sizeable business travel by rail across England, Wales and Scotland.

Despite this national footprint, there was 63% less spend on air travel compared with the previous year and 40% less spend on rail travel compared with the previous year. BTPA has lower than average air travel spend for its organisation size. BTPA recognises that it needs to monitor travel journeys to ensure value for money and has implemented strict controls to limit international and domestic air travel. Videoconferencing facilities were introduced into BTP office meeting rooms across the UK during the year. These are available for staff to meet internally with other BTP staff removing the need to travel large distances, using lots of travel time. This coincides with a significant reduction in domestic air travel.

During the year, BTP published business travel guidance in a Good Practice Guide to encourage reduced journey mileage. By the end of September 2011, there was 63% less spend on air travel and 40% less spend on rail travel compared with the same time last year.

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Waste
The organisation still faces significant difficulties in obtaining waste weight data and improving information flow through more unified contracts with better data provision will support greater compliance with waste reduction targets. Recycling schemes at major sites, often operated by the landlords, are operating well. Improving this will involve setting up more offices with recycling schemes, diverting general waste into recycling streams and liaison with suppliers to minimise waste. Our refurbishment projects are not generally large enough to require compliance with the Site Waste Management Plans Regulations, but several forthcoming refurbishment projects will require Site Waste Management Plans to be in place for management of construction waste.

GGC requires a 10% reduction in paper consumption by 2014-15. Paper consumption has been reduced by 14% over the first two years of the programme.

Water
GGC targets require an absolute reduction in water consumption. Between 2009-10 and 2011-12, a 21% reduction has been achieved. The average water consumption efficiency in metered buildings was 7.4 m^3 per FTE (full time equivalent staff member) in 2009-10. The GGC rates good practice at between 4 m^3 and 6 m^3 per FTE.

Biodiversity and Natural Environment
The force does not own significant areas of land with the potential for supporting biodiversity conservation.

Sustainable Procurement
BTP voluntarily reports its supply chain impacts to align with the Policing Plan target to reduce non-pay expenditure across the force by 1.5%.

Sustainable Construction
The Force Headquarters building has been surveyed as part of the Estates Rationalisation programme, using the Royal Institute of Chartered Surveyors' environmental rating tool. This has generated recommendations for improvements to heating, ventilation, chilled water, lighting and cold water pumping along with further improvements to the IT server room layout. The principles set by this initial work will inform the elements of the overall Estates Strategy that cover sustainability. A rolling programme of office refurbishments has undoubtedly improved energy efficiency. There is an intention to develop standards for future refurbishment, using the Building Research Establishment's methodology, as expected in the GGC.

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People – Health and Wellbeing
BTP promotes staff wellbeing and health through cycling to work. The cycle2work scheme allows staff to purchase subsidised bicycles through salary sacrifice. The intention is to join the London Cycle Challenge in summer 2012. This activity is aimed at improving staff health and mental health.

Environmental Management System
Data collection processes have been refined over the year. Improving these further will form the first element of an environmental management system. It is likely that this will initially target energy in buildings to prioritise the greatest cost savings.

Climate Change Adaptation
Rising outside air temperatures caused by global warming will require greater cooling of buildings to allow staff to use them. To do this without increasing energy consumption will require an appraisal of natural ventilation settings on existing air conditioning units. Increased flood risks from sea level rise and flash-floods, resulting from climate change, will require a reappraisal of property sites.

Governance
The responsibility for sustainability performance rests with the newly appointed Sustainability Manager and the Corporate Services team at an operational level, and with the Director of Corporate Resources at the Strategic Command Team level. A Sustainability Strategy, setting out costed invest-to-save opportunities, will be a key deliverable for the newly appointed Sustainability Manager. The Strategy will focus on further delivery of the GGC emissions targets and work to improve data collection and reporting processes. The intention is to appoint a cross-functional team to support delivery of the GGC targets and embed sustainability across the Force. Force Headquarters has capital works, facilities, vehicle fleet, finance and procurement teams co-located in the same open plan office, with IT and HR functions on adjacent floors. This offers strong potential for good teamwork to address sustainability issues. Internal assurance procedures for sustainability data reporting are under review and may be included in the annual Governance Statement.

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Summary of Future Performance

Actions will be developed to achieve the following qualitative targets which must be achieved under GGC:

- Delivery of the Estates Rationalisation Project
- Waste management contracts will be reviewed to assess opportunities to improve data collection and promote recycling.
- Data on the volume of refrigerant leaks will be collected during 2012-13 as part of compliance requirements under the F-Gas Regulations 2008.
- Ensure redundant ICT equipment is re-used or responsibly recycled
- Embed the Government Buying Standards in procurement contracts for value for money and streamlining procurement processes
- Publish data on our supply chain impacts, focusing on carbon, then water and waste, setting detailed baselines
- Take steps to adapt the estate to a changing climate
- Take action to promote, conserve and enhance biodiversity
- Include management of construction waste to Best Practice Standards
- Apply the Building Research Establishment Environmental Assessment Methodology (BREEAM) to construction projects
- Report on social and environmental assessment of office relocations, and actions taken to promote staff wellbeing

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GOVERNANCE STATEMENT

Accounting Officer's Introduction to Corporate Governance

As Accounting Officer for the British Transport Police Fund I have responsibility for maintaining a sound system of internal control that supports the achievement of BTPA policies, aims and objectives, whilst safeguarding the funds and assets for which I am personally responsible in accordance with the responsibilities assigned to me by the Secretary of State for Transport.

The Chief Constable has been appointed as an Additional Accounting Officer with particular responsibility for the budget, transactions and associated matters relating to BTP's financial management, policies, aims and objectives.

The BTPA Chair and I, as Chief Executive of the BTPA, meet the ministerial team at the Department for Transport on a regular basis to discuss relevant issues of policy and strategy. The Chief Constable also meets the Secretary of State and his team on a regular basis. The Governance statement sets out the way in which the Police Authority works and the Committees and processes which are in place to ensure that the Authority discharges its responsibilities to the Secretary of State.

The Structure of the Police Authority

The purpose of the Authority is to ensure an efficient and effective police force. Its statutory duties are:

- Secure the maintenance of an efficient and effective police force
- Ensure the efficient and effective policing of the railways
- Appoint the Chief Constable, Deputy Chief Constable, Assistant Chief Constables and the Director of Corporate Resources
- Enter into Police Service Agreements with railway operators
- Regulate the government, administration and conditions of those employed by the Force
- Set a strategy for policing the railway
- Set objectives for the policing of the railway
- Set the budget each year of expected income and expenditure and recover the costs

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In discharging these functions the Authority bases its decisions on:

- the requirements of passengers, staff, other rail users and stakeholders in relation to personal security and policing
- the professional advice from the Chief Constable
- the commercial and operational challenges of the rail and train operating companies and their priorities for policing;

With this knowledge, as an independent body, the Authority then makes its own judgements about how to secure an efficient and effective police force which it reflects in its Strategy, Policing Plan and budget decisions.

The Chairman and Members of the Authority are appointed by the Secretary of State. Members are drawn from people who have experience of the rail industry, railway staff, and the travelling public, and others with designated experience but they are not intended to be representatives of those interests. There are also Members with knowledge of the interests of persons in England, Scotland and Wales, in the case of the latter two appointed in consultation with Scottish Ministers and the National Assembly for Wales respectively. In the Authority, Members work together and act as a single corporate body.

The Chair has particular responsibility to provide effective and strategic leadership to the Authority. The Chair will ensure that all members of the Authority, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities and will undertake an annual appraisal of Members of the Authority. The Chair will work closely with the Chief Constable and the Chief Executive to facilitate the business of the Authority.

Members each have a corporate and collective responsibility to ensure that the Authority properly discharges its functions. In doing so, each Member is required to attend all Police Authority meetings and the meetings of those Committees and Groups to which they have been allocated. In addition to attendance at formal Authority and Committee meetings, the Authority may agree that Members should take on additional roles to assist in furthering the Authority's objectives.

Details of the Members are set out on pages 4 to 9 of the Management Commentary

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Attendance by the members during the year at the Police Authority is set out below:

Member Name	Number of Authority meetings eligible to attend	Number of Authority meetings attended
Members as at 31 March 2012		
Urmila Banerjee	7	7
Lew Adams	7	7
Patrick Butcher	5	3
Howard Collins	7	5
Colin Foxall	7	6
Elizabeth France	7	6
David Franks	5	5
Michael Holden	7	7
Wendy Towers	7	6
Anton Valk	5	4
Jeroen Weimar	7	5
Members who left during the year		
Ian Dobbs	2	1
Robin Gisby	1	1
James King	1	0
Sir David O'Dowd	1	1
Neil Scales	6	6

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Executive Team

The British Transport Police Authority has an Executive team of ten led by myself, Andrew Figgures, Chief Executive. I am the principal advisor to the Authority and I lead and direct the Authority staff to ensure the Authority achieves its objectives. I am also the Accounting Officer of the Authority.

Elizabeth Pike serves on the team as Authority Finance Director, who provides independent financial advice to the Authority in all aspects of its activity, including the strategic planning and policy making process, as well as on budgetary matters. The Authority Finance Director works closely with BTP's Director of Corporate Resources and BTPs Head of Finance to ensure that the financial affairs of the Authority and the Force are properly administered and financial regulations are observed and kept up to date.

How the Authority Works

Each year the Authority:

- Updates its medium term strategy and annual policing plan in consultation with its stakeholders;
- Ensures that BTP is adequately resourced and has a budget that reflects the strategy, plans and priorities agreed with the Chief Constable and provides value for money.
- Recovers the costs of policing the network, from the rail and train operating companies who use it.
- Keeps under review what happens on the ground to ensure that objectives are achieved and to inform the roll forward of the strategy and plans.

The Authority has agreed an annual business cycle for its work to help it ensure that it maintains focus on key work streams in a timely and efficient way. It meets seven times a year. There are three Authority meetings where there is a fixed agenda and specific annual decisions and approvals are required.

Standard decisions to be made through the year:

- Approve a budget, strategy and medium term financial plan in December of each year
- Approve a Policing Plan in March
- Approve Annual Accounts for signoff by the Accounting Officer in June.

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The Authority conducts most of its business through its meetings. It appoints groups of Authority Members as necessary to take forward its business and to handle specific matters.

The Chair of the Authority after consultation with Members and the Chief Executive is authorised to appoint to such groups as necessary. All such groups will be reviewed at the Annual Meeting of the Authority.

All decisions are made at the Full Authority unless specifically delegated to a Group or Committee and enshrined in its terms of reference. The Full Authority retains total responsibility for governance.

During the year the Police Authority made the following key decisions:

- The Authority approved the use of £1.3m of the under spend against budget in 2010-11 to fund the capability of arming a specialist team of officers.
- The results of the review of Pensions Management and Investment was approved
- The terms of reference for the Appointments and Remuneration Committee were approved
- A full disaster recovery capability at the Birmingham Axis building was approved.
- The Authority approved the use of the Matrix Model from 2013-14 onwards.
- The Authority approved a newly worded Police Service Agreement to be effective for the core PSA holders from April 2013. The agreement is subject to consultation with the stakeholders affected and the final agreement will need to be approved by the Secretary of State for Transport.
- The overall budget for the PSA charges was frozen for 2012-13.

The Authority also maintains three standing committees, which are:

Audit Committee
Professional Standards Committee
Appointments and Remuneration Committee

Throughout the year groups will be established by the Authority and supported by the Executive and BTP staff. The purpose of these groups is to lead the preparation of material and the framing of discussions and decisions prior to the Authority meetings and on behalf of the Authority act as sponsor to the work theme. There are four groups that will operate through each Authority business cycle.

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Other groups may be formed where there is a clear need. The terms of reference for these ad hoc groups will be approved by the Authority.

The Groups in operation during 2011-12 are as follows:

- Strategy group
- Finance group
- Performance review group
- Policing plan group
- Pensions working group

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Risk Management

Approach

BTPA and BTP share a common approach to risk management which is embedded in the management of BTPA and supported by the BTPA Finance Director and a professional risk manager within BTP. This approach is underpinned by a policy and standard operating procedure as well as a risk reporting regime that is available to all employees. Risks are assessed against their potential impacts on safety, finance, performance and reputation on a four-point scale and are considered from both operational and strategic perspectives.

Risk appetite within BTPA is defined by the ability of individual departments to manage risks without recourse to other parts of the organisation rather than by set escalation criteria. Risks are monitored through risk registers which are reviewed through the Senior Management Team structures throughout BTPA and BTP. BTP's Force Management Team review both Strategic and Operational risks on a quarterly basis. The Strategic risks are then reviewed quarterly at Audit Committee meetings alongside BTPA's Strategic risks. These are also presented on a quarterly basis to meetings of the full Authority. The quarterly summary of risks is presented to the Department for Transport Sponsorship Team and consolidated into the overall Department risk register.

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Principal Risks

Strategic risks are rated as high, medium or low dependant on their impact and likelihood. The Authority has considered the risks and during 2011-12 the major risks faced are summarised in the following table:

Thematic Risk	Narrative
Comprehensive Spending and McNulty Reviews	The outcomes of the Comprehensive Spending and McNulty Reviews and their impact on funding for the rail industry are considered the highest risk for BTPA. BTP has convened a McNulty Review group to explore the opportunities and risks related to the content of these reviews and to incorporate significant findings into the rolling three-year Strategic Plan.
Police Service Agreements	BTPA is required to establish new Police Service Agreements for introduction in time for 2013-14. The threat of failure is a high priority for BTPA and work to develop and agree the new PSA has continued throughout 2011-12. BTPA members have discussed drafts of the new PSA at BTPA meetings and DfT's legal team have been included in the drafting process. A draft copy of the new PSA was sent for consultation with the rail industry and the responses reviewed by the BTPA on 29 March 2012. Further work will continue in 2012-13.
Charging Model	Associated with the new PSA is the implementation of a standard mechanism for charging the rail industry for the police service that they receive. Development of the replacement model based on the existing Matrix model has continued throughout 2011-12 and a business case for a phased introduction of the replacement model has been presented to the DfT. Consultation with the rail industry took place during the early part of 2012. Final agreement of the charging mechanism is expected to be completed during 2012.
Pension Funds	BTPA has responsibility for overseeing the management of police officer and police staff pension funds. These funds are managed separately in recognition of the significantly different contribution rates and benefits related to police officer and police staff pensions. BTPA manages these risks through a Pensions Working Group. This group proposed new governance arrangements for the police officer pension fund

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	to BTPA membership in May which were agreed, and resulted in a new investment strategy which has been accepted by the pension fund trustees. Both the governance and the investment strategy will be introduced during 2012-13. Concerns about a potential deficit in the triennial valuation of the police staff pension fund proved to be unfounded as it showed a £5.2 million surplus relative to technical provisions as at 31 December 2010.
Unauthorised Pension Payments	During 2011-12 it was identified that a small number of Police Officers had retired and been re-employed in substantially different roles. A change in tax legislation which provided a break in service of one calendar month or six calendar months depending on the new role and the age on retirement was stipulated. If these conditions were not met the pension payable could be deemed to be taxable. BTPA are working with HMRC and the Pensions trustee to reach a satisfactory outcome. These discussions were ongoing as at 31 March 2012. A contingent liability for the total expected exposure of up to £1 million to 2015-16 has been disclosed in the 2011-12 accounts. Additional internal audit work on recruitment and re-employment highlighted a number of operational weaknesses around retention of recruitment paperwork. Management actions are in place to improve these controls.
Ability to respond to terrorist attack	The principle response to the terrorist threat to the rail network during 2011-12 was the development of a BTP armed patrol capability. This was a significant undertaking and required the development of new procedures that would support the deployment of armed BTP officers while at the same time maintaining the ability to respond in the event of an attack. The first deployment of firearms trained officers took place on 24 February 2012.
The 2012 Olympic and Paralympic Games	Work to ensure BTP is fully prepared to support the expected increase in passenger traffic due to the 2012 Games and related events has been a high priority for BTP and BTPA throughout 2011-12. A dedicated project team has expanded to include all relevant operational areas. Limitations on the ability of all employees to take annual leave during key periods are in place.

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Winsor Review	The Home Secretary announced on 30 January 2012 that she accepted the recommendations of the Police Arbitration Tribunal ('PAT') in relation to the first phase of the Winsor Review. BTP's SCT has considered the implications of this and following ratification by BTPA has supported the introduction of the PAT decision in full. The second phase of Winsor was released for consultation in March 2012; work to review the impact of its recommendations by Human Resources will be progressed in 2012-13.
Theft of Conductive Metals from the Railway	The risk relating to the theft of cable from the rail network has been managed through a comprehensive programme of operational activity. BTP has entered into partnership with other agencies similarly affected by the incidence of the theft of conductive metals. This has enabled the formation of a multi-skilled Fusion Intelligence Unit. BTP takes an active part in the ACPO working group on metal theft. BTP led on work to effect a significant change in relation to the legislation that governs how Scrap Metal Dealers conduct business during 2011-12. The relevant legislation will be changed during 2012-13 with the aim of prohibiting cash transactions.

Commentary on Internal Control

BTPA's internal auditors, Tribal, have a specific brief to take a risk based approach to auditing. An annual plan was agreed by BTPA and BTP. The planned work for 2011-12 has been carried out. All areas of weakness identified are addressed through management action plans. The strategy for 2011-12 was to review again the nine areas where the previous assurance assessment was classified as limited in previous accounting periods. During the year all of these areas have now been revisited. In all nine areas the assessments are now either 'substantial' or 'reasonable' assurance.

The requirement for BTPA and BTP to complete and return the DfT Management Assurance Return on a half-yearly basis was retained during 2011-12. Both BTPA and BTP use the work associated with completing this return as a basis to identify potential weaknesses in systems of internal control which inform the planning of the annual internal audit plan.

The most significant change in the system of internal control was the relocation of the payroll from London to Birmingham. The Project Plan was led by a dedicated project team drawn from within the

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Human Resources department, and required a significant upgrade of the existing payroll system, Trent. The Project Manager worked closely with the internal auditors throughout the life of the project and requested that the project be added to the internal audit programme. The resulting audit highlighted a number of routine recommendations.

During the year BTP introduced a method of prioritising projects according to financial, resource and reputational elements, which is subject to regular review. This allows a flexible approach to the management of projects with the ability to identify and implement additional controls. Furthermore BTP has recognised a need to improve the assessment of benefits realisation with respect to projects, preliminary work to identify options will be undertaken in 2012-13.

Whilst considerable progress has been sustained throughout the year, and the robustness of the assurance has been improved, further work is planned to encourage continuous improvement and prevent risk-averse attitudes undermining achievement of objectives.

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Data security issues

BTP has recorded only one data security breach that it was not able to manage adequately or resolve. It related to the loss of archived paper files; this currently remains under investigation.

Comment [A1]: Update requested from Doug / Lisa

In December 2011, BTP's anti-virus system detected the presence of malicious software within its technology network. The threat had been deleted or quarantined automatically on the all devices. To ensure that the infection did not spread further, BTP disconnected all external access. The source of the malicious software could not be definitively established; however BTP considers that the contingent arrangements and automatic defences worked well in this instance.

Audit Committee

The purpose of this committee is to:

- Keep under review and advise the Authority on all matters relating to the internal and external audit of the Authority. To provide an opinion on the effectiveness of the monitoring processes and whether reliance can be placed upon all internal control systems.
- Assess and recommend to the Authority action in respect of:
    - The effectiveness of financial management, internal business processes and control systems
    - The performance, effectiveness of and results from the Authority's audit arrangements, both internal and external (including HMIC)
    - The implementation of agreed audit-based recommendations from any management letters received from internal or external auditors
    - The accounting policies and the accounts, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors.
    - The BTPA and BTP's plan for risk management, business continuity (including disaster recovery) and the strategic processes for risk, control and governance and the Statement on Internal Control
- To decide/agree
    - The planned activity for internal audit, including the arrangements for and the appointment of the Authority's internal Auditors
    - The Annual Audit Plan
    - The Force's policies on fraud, irregularity and corruption, and to monitor the effectiveness of such policies

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During the year the Audit Committee scrutinised and agreed the accelerated year end timetable to comply with the whole Government accounting and undertook a detailed review on the controls surrounding the employment and re-employment of staff and the impact of the tax legislation on pension payments made to staff.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee has delegated responsibility from the Authority to approve the remuneration packages and performance related pay for executive appointments at the Authority and chief officers and equivalents at BTP. In regards to police officer and staff terms and conditions below the chief officer rank, the Panel is given the responsibility of reviewing the detail and making recommendations to the Full Authority. It has no delegated powers to approve proposed terms and conditions changes for officers and staff.

Professional Standards Committee

The purpose of this committee is to:

- Oversee the work of the Professional Standards Department and to make appropriate recommendations to the Chief Constable
- Review progress of cases/complaints that are under investigation
- Track trends in relation to public complaints, non complaint investigations and investigations into civil claims and internal matters conducted by the Professional Standards Department (PSD) and make recommendations as appropriate
- Satisfy itself as to the operation of the Complaints and Discipline processes within the Force
- Investigate and deal with any allegations, report and complaints about the conduct of officers of ACPO rank in accordance with appropriate regulations and to consider all matters relating to discipline against ACPO rank officers, within police regulations and report to the Authority as appropriate. For the purpose of conducting these matters a subcommittee of a minimum of three members may be formed and will report to the Authority as appropriate.
- Monitor the mandatory requirement for referral of cases
- Monitor the output from the independent custody visiting scheme and escalate any issues as appropriate

Working Groups

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The overall aim of the working groups is to allow a small number of Members to work closely with the Executive and the Force to scrutinise specific areas of interest to enable recommendations to be made to the full Authority. They have delegated powers of approval. The aims of each of the working groups are set out below

The **Strategy group** is responsible for ensuring the Authority and BTP has an up to date three year strategy and ensuring that stakeholders are consulted during its preparation.

The **Finance group** supports the Authority in setting a budget and capital programme and in assessing financial performance during the year.

The **Policing plan group** ensures the translation of the three year strategy into an annual policing plan. It determines with BTP the necessary metrics required to monitor performance against this plan and seek approval from the Authority.

The **Performance review group** is responsible for supporting the Authority in agreeing and assessing police performance on KPIs. It ensures that there is consultation with statutory stakeholders in matters relating to the policing plan.

Conclusion

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control and compliance with the corporate code of Governance for the Authority. My review is primarily informed by the work of internal audit, by the management assurance reporting of the Authority Finance Director and the executive managers in BTP who are responsible for the development and maintenance of the internal control framework and by comments made by external auditors in their management letter and other reports. The Chief Constable as Additional Accounting Officer has written to me at the year end confirming that all managers who have been provided with delegated responsibility have understood and fulfilled their responsibilities with regard to the operating cost budget. A budget control issue was identified with one major project and additional work and audits performed during the year have re-assured me that the overall business case of the project is still sound and within our scheme of delegation. The 2011-12 annual internal audit report has stated that there has been a significant strengthening of the internal control framework throughout the Authority and the Force.

I am therefore confident that BTPA has in place a robust system of accountability, which I can rely on as Accounting Officer, and which

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complies with the corporate Governance code. The system allows me to provide the assurance that the BTPA will spend its money in line with the principles set out in Managing Public Money.

Having reviewed the evidence provided to me by the management assurance exercises, the risk registers, the summary annual 2011-12 report presented by the internal auditors and the external audits of the fund, I am satisfied that the BTPA has maintained a sound system of internal control during the financial year 2011-12.

A.C. Figgures CB CBE
Accounting Officer
Date 15 June 2012

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The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

British Transport Police Fund

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of the British Transport Police Fund for the year ended 31 March 2011 under the Railways and Transport Safety Act 2003. These comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Railways and Transport Safety Act 2003 and with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the British Transport Police Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the British Transport Police Authority; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities who govern them.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of British Transport Police Fund's affairs as at 31 March 2011 and of its net surplus for the year then ended; and
- the financial statements have been properly prepared in accordance with the Railways and Transport Safety Act 2003 and Secretary of State directions issued there under.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Railways and Transport Safety Act 2003; and
- the information given in the Structure of the Authority, BTPA's Year in Review, Chief Executive's Report, Finance Director's Report and the Management Commentary contained in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
Date

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