
Report to: Finance Group
Agenda item: 3
Date: 19 March 2013
Subject: BTP Budget 2013/14 – L Area Budget and Contribution for Centrally Organised Services
Sponsor: Interim Director of Corporate Resources
For: Information

1. PURPOSE OF PAPER

- 1.1 This paper provides an update on the 2013/14 L Area budget and includes an explanation of the changes from the 2012/13 budget.

2. BACKGROUND

- 2.1 Transport for London via London Underground Ltd (LU Ltd) fund the policing of L Area primarily by way of direct funding of actual costs within a budget agreed for the year. For 2013/14 the budget has been agreed at £52.698m. This is an increase of 1.6% over the approved budget of £51.874m in 2012/13. Appendix A shows how the 2013/14 budget is constructed, the main changes to the 2012/13 budget are as follows:

2.2 Funding for Police Medics and Cable Theft Team (Column B)

TfL have changed the funding for Police Medics and the Cable Theft Prevention team. Previously this was funded as a separate project over and above the main budget. TfL now wish to fund these activities as part of the core budget for L Area. Funding is now available within core L Area budget the income from the project in L Area's accounts has now been removed, consequently this increases the bottom line budget for the Area.

2.3 Inflation and other adjustments (Column C)

The budget has been increased to account for inflation and cost pressures such as the Winsor 10% increase in pay for anti-social hours. The budget has been reviewed in detail and savings made where possible to support the front line. In addition the Area is undergoing some restructuring the result of which will be reported in 2013/14. This restructuring has not yet been

finalised but the changes already implemented reduce supervisory ranks to ensure a particular focus on combating theft.

2.4 Removal of special overtime funding (Column D)

TfL granted additional funding to L Area to cover the extra duties required to meet the non – Olympic extra events in 2012 (such as the Queen’s Jubilee). As this funding was for one off events the additional funding has been removed..

2.5 Removal of TfL Group Property charge (Column E)

TfL have for years charged L Area and other parts of TfL an amount from their Group Property Department. Originally this was based on the level of building usage by the various operating departments. There has been a change in policy by TfL to ensure the gross costs of Property and Facilities are clearly identified and managed. This has meant the total costs are now charged to Group Property and held centrally. This is therefore just an accounting budget adjustment without any operating significance.

2.6 Budgeted Workforce Target

The Budgeted Workforce Target for L Area is set out in table 1 below, this shows the annualised budget workforce target for 2013/14 compared to the annualised actual workforce for 2012/13. The movement in numbers is largely accounted for by an increase in PCSO numbers and an increase in Police Staff numbers following a programme of civilianisation.

Table 1 – 2013/14 Budgeted Workforce Target

	2012/13 Annualised Actual FTEs	2013/14 Annualised BWT FTEs
Police Officers	688	677
PCSOs	100	112
Police Staff*	208	230
Total	996	1,019

* Police Staff Pay includes a vacancy factor, actual budgeted average is 218

3. FHQ CENTRALLY ORGANISED SERVICES CHARGE

- 3.1 An additional charge is made to TfL as a contribution towards FHQ Centrally Organised Services, including the Authority's own costs. This reflects the benefit L Area receive from these services but takes into account the fact that some services are provided to other Areas by LU Ltd either via the L Area budget or through facilities provided directly by LU Ltd. The amount agreed for 2013/14 is £9.586m an increase of 2.4% over 2012/13 in line with the rate of RPI.
- 3.2 A separate PSA charge is made to Docklands Light Railway that will be £859,192 a 1.8% increase in 2013/14 in line with the increase in the overall PSA. This is treated as a further contribution to FHQ Centrally Organised Services.

4. RECOMMENDATIONS

- 4.1 Members are asked to note the content of this report.

Appendix A

	2012/13 Budget restated	Mainstream funding	Inflation	Overtime	Property charge	2013/14 Budget
	Column A £000	Column B £000	Column C £000	Column D £000	Column E £000	Column F £000
Expenditure:						
Staff costs						
Police Officer Pay	36,585	0	(151)	0	0	36,434
Police Officer Overtime	1,776	0	171	(500)	0	1,447
PCSO Pay	3,246	0	(297)	0	0	2,949
PCSO Overtime	55	0	(5)	0	0	50
Police Staff Pay	7,454	0	192	0	0	7,646
Police Staff Overtime	38	0	(12)	0	0	26
Total Staff costs	49,154	0	(102)	(500)	0	48,552
Premises	2,935	0	18	0	(984)	1,969
Communications and Computers	710	0	6	0	0	716
Travel and Hotels	38	0	(3)	0	0	35
Vehicle Costs	947	0	141	0	0	1,088
Supplies and Services	2,682	0	492	0	0	3,174
Total non-staff costs	7,312	0	654	0	(984)	6,982
Total expenditure:	56,466	0	552	(500)	(984)	55,534
Income:						
Enhanced PSA	(2,954)	1,753	0	0	0	(1,201)
Other income	(1,638)	0	3	0	0	(1,635)
Total income:	(4,592)	1,753	3	0	0	(2,836)
Total Net Expenditure:	51,874	1,753	555	(500)	(984)	52,698