

Report to: Police Authority
Agenda Item: 5
Date: 31 January 2013
Subject: Finance Group – Q3 2012/13 update
Sponsor: Chair Finance Group
Author: Authority Finance Director
For: Approval

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1. Purpose of paper

To report on the outcome and the actions arising from, the quarter 3 meeting of the Authority's Finance Group.

2. Background

The Authority's Finance group was established to carry out detailed scrutiny and finance oversight activities in support of the work of the full Authority. This report summarises the key issues emerging from the quarter 3 meeting of the Group which took place on 16 January 2013.

3. Standing items

3.1 BTP Q3 (see Appendix A):

The Group received the detailed Q3 summary and the full year forecast, both are attached at Appendix A for information. The forecast outturn indicates an under spend of £0.1 million. However this is after transferring £1.6 million to a balance sheet provision to fund the PSA smoothing reserve for 2013/14 and after transferring £1.0million to fund specific police resourcing for Maidstone / Scotland for a period of twelve months. The £2.6 million had been funded by some permanent cost savings (e.g. a review of the police dog operation) and by temporary savings such as holding staff vacancies.

It was noted that although additional spend had been required on allowance for officers staying away from home during the Olympics, the total spend was forecast to be £2.0 million below budget. This was because of the success of both the Games and BTP's operations leading to substantially reduced hours. The

Finance Group were assured that all costs relating to the Olympics had been fully off charged and the Finance Group would review the costs in the March meeting ahead of any scrutiny by the DfT and the External Auditors. Discussions would take place with the DfT over whether these savings could be used to fund further cable theft initiatives.

The establishment continues to run at 3.3% below budget. Detailed workplace planning is being undertaken to ensure there is effective management of staff numbers over the next three years. This will be presented to the next Finance Group.

BTP provided an overview of the current position and pressures in relation to the capital budget. The end of year forecast spend has been reduced to £9.9m, compared to a budget of £11.6m. However it was noted that this included a contingency spend of £0.4 million. It was noted that the profiled capital spend for the rest of the year was very back end loaded with 38% of the revised budget forecast to be spent in period 13. The Finance Group was assured that with exception of the contingency reserve, it was expected that this money would be spent.

BTP tabled the latest cash-flow information at the meeting which shows a year end forecast of £34.3 million. This will need careful monitoring around the first couple of Accounting periods in 2013/14 when the new PSA and the direct debit payments will be put in place.

3.2 BTPA Q3 (see Appendix B):

The year to date gross revenue and expenditure was presented. The expenditure for the Authority was presented which showed an under spend of £167k against a budget of £1,170k. The detailed analysis of expenditure is attached in the report at Appendix B. The forecast is expected to be in line with the budget, however it was agreed that should there be an underspend, this should be transferred into the contingency funding to off-set any potential future legal costs following the implementation of the new charging model. None of the core PSA debtors of £16.8 million was overdue by more than 30 days and, as at 7 January 2013, 92% of the quarter end debt had been cleared.

4. Capital Budget 2013/14

4.1 BTP provided an overview of the 2013/14 capital programme and of the process that had been adopted in their review. The original paper is attached for information at Appendix C. The level proposed of £11.2 million is in line with the DfT Capital DEL budget. A contingency of £0.9 million has been included in the overall budget. It was noted that the capital programme was based on the prioritisation by BTP of all scoping bids received. Full business cases would be required and items over £0.5 million would require approval from the Chief Executive, with items over £1 million requiring approval from the full Authority.

4.2 Major projects expected to be presented to the Authority during for the next three years were currently as follows:

- London South Custody Suite (total project cost £5.5m, with £1.5m in 2013/14);
- Desktop virtualisation (total project cost £2.3m, with £1.1m in 2013/14 budget);
- Digital Evidence (total project cost £1m in 2014/15);
- Command and Control replacement (£1m in 2014/15) and
- Crime System Replacement / Renewal (£1m in 2015/16).

The profiling of the capital spend was discussed and it was requested that it be more evenly spread during the year in 2013/14.

It was agreed that the outline future years would be held at £11.2m including contingencies of £0.9m.

5. Other Items Discussed

- 5.1 **BTP Budget 2013/14 - London Underground** - It was noted that discussions had commenced but not yet concluded. A paper would be presented to the March Finance group and then the Authority.
- 5.2 **Charging Model 2013/14 Update** - An update was given by the Authority Finance Director on progress made to date. A number of issues were discussed around data being used in the proxies and the issues of centrally held savings being used to fund operations in the Areas. It was agreed that the overriding aim of achieving a better approximation would always be the aim of the Authority. A number of detailed discussions have taken place and the detailed paper is attached at appendix D. It was reported that the information being gathered and the detailed project plan was in line with the target timetable.
- 5.3 **Disaster Recovery** - a detailed presentation was given by the new Interim Head of IT on the current status of the Disaster Recovery project which had been reviewed. It was agreed that the Finance Group would recommend that a further £214k to be approved by the Authority which would allow a minimum of a 'warm' standby for all BTP critical systems, which is over and above the initial authorisation for £1,021k. This was explained as being an enhancement to the current disaster recovery facility and would add extra resilience to BTP, and would also have the secondary benefit of improved system performance due to the change in hardware required.
- 5.4 **Contingency Reserve** - The level of contingency reserve is £3.3m. The strategic risk registers for BTP and BTPA are now valued in a range and as at period 9 the level of reserve was considered adequate

6. Issues for the next meeting

6.1 The Finance group will be considering the following at its next meeting in March;

- PSA Charges 2013/14 - Matrix Model
- L Area Budget and gross overhead contribution - 2013/14
- Detailed Budget BTP 2013/14 and reporting thereon
- Olympic spend in 2012/13
- Budgeted Establishment profile for 2013/14 - 2015/16

7. Recommendations

7.1 The Authority is asked to note the report and APPROVE the following recommendations from the Finance Group:

- The capital budget for 2013/14 is set at £11.2 million, which includes a central contingency of £0.9 million.
- Additional spend of £214k on the Disaster recovery project is approved in addition to the £1,021k approved by the Authority in November 2011.



**BRITISH
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Report to: Finance Group
Date: 16 January 2013
Agenda Item: 3
Subject: Revenue Budget and Capital Programme 2012/13
Monitoring and Forecast report – (Quarter 3 - Period 9)
Sponsor: Interim Director of Corporate Resources
Author: Head of Finance
For: Information

1 PURPOSE OF PAPER

- 1.1 This report provides the monitoring and forecast position for the revenue and capital budget as well as the Balance Sheet and cash flow for 2012/13 as at Period 9 (Quarter 3).
- 1.2 Appendices A and B set out the position on the revenue budget for the British Transport Police (BTP) and shows the forecast outturn position to be an under spend of £137k or 0.1% under the approved net budget of £248.8m.
- 1.3 Appendix C sets out the position for each scheme in the capital programme (including contingency) at Period 9 the capital outturn forecast is £9.9m which is under the original budget delegation of £11.6m for reasons set out in the report.
- 1.4 Appendix D shows the establishment (budgeted staff numbers) and the actual numbers in post as at Period 9 for Areas and FHQ Departments. The Service is 157 FTEs or 3.3% below the overall establishment of 4,723 FTEs as at Period 9.
- 1.5 Appendix E shows the balance sheet position as at the end of the second quarter (Period 9).
- 1.6 Appendix F is the 2012/13 cash flow forecast as at Period 9.

2 REVENUE BUDGET

- 2.1 The forecast outturn at Period 9 indicates an under spend of £137k or 0.1% under the approved budget for net expenditure. This is very close to the overall forecast as reported to the Finance Group at Quarter 2. The Period 9 position includes the impact of ring fencing some of the budget to fund an initiative to further strengthen the front line. This initiative utilises £700k of



Area and Departmental under spends which have been centralised through the Finance Review meetings and also utilises the £300k forecast under spend that was identified at Period 5.

- 2.2 The intention is to fund a number of police officers for a period of 12 months while remaining within our overall establishment. It is likely that a significant part of the £1m which has been set aside for this initiative will be used to create a balance sheet reserve to ensure continued funding into the next financial year.
- 2.3 The forecast also includes £1.6m of permanent and temporary savings that have been found in-year in order to protect the balance sheet reserve which is used to smooth the PSA, this will enable £1.6m of this reserve to be used to reduce the PSA in 2013/14 as requested by the Authority.
- 2.4 The year to date position as at Period 9 shows an overall under spend of £781k or 0.5% against the year to date budget. Area and Departmental budget holders are rigorously challenged at each period's Finance Review meeting on their year to date variances and confidence of achieving their year-end forecast. Budget holders are required to demonstrate in detail how they will achieve their forecast position in order to provide assurance to the Interim Director of Corporate Resources that the year to date and full year forecast positions are realistic.

Analysis by Department and Area

- 2.5 Appendix A sets out the forecast position by FHQ Departments and Areas, as at Period 9 all parts of BTP are forecasting to be very close to budget by year end.

Analysis by Expenditure and Income

- 2.6 Appendix B sets out the forecast position by expenditure and income classification. All forecast variances are within the 5% tolerance set out in the Chief Constable's Budget Responsibilities and Delegation Letter.

Emerging Budget Risks

- 2.7 There are no specific emerging budget risks which are not included within the Period 9 financial position:



3 BTP ESTABLISHMENT AND ACTUALS IN POST

- 3.1 Appendix D shows the establishment and actuals in post position for BTP. At Period 9 BTP was 157 FTEs or 3.3% below the overall establishment of 4,723 FTEs (Police Officers – 38 FTEs (1.3%) below establishment, Police Staff 86 FTEs (5.8%) below establishment, PCSOs – 34 FTEs (8.4%) below establishment.
- 3.2 The process to reconcile staff numbers between Human Resources, Finance and Business Areas is now routine. Human Resources and Finance colleagues have agreed the counting rules and terminology to be used when calculating people numbers. This is improving the understanding and accuracy of budgeted establishment and actuals across the Force.
- 3.3 Detailed workforce planning is in place to ensure that there is effective management of staff numbers over a three year timeframe. This workforce planning looks at anticipated patterns of leavers, starters and the timing and size of Police Officer and PCSO intakes. This workforce planning is intended to minimise the gap between the budget and actual position and it is intended that the actual numbers in post will be very close to budget by year end.

4 IN-YEAR BUDGET MOVEMENTS

- 4.1 As last year BTP has been taking a very proactive approach to identify any in-year savings and centralise these in order to provide financial resilience and optimum use of the budget. So far this year £637k of permanent savings have been identified and centralised. In addition to these permanent savings a further £963k of temporary savings have been identified as requested by the Authority in order to protect £1.6m of the reserve used to smooth PSA increase. These additional savings have been found by holding police staff vacancies in the FHQ Departments and by applying the mobile data handset revenue provision of £400k within Corporate Resources.
- 4.2 As a result of these in-year savings BTP is forecasting that only £1,738k of the £3,338k contribution from previously found savings will be required in 2012/13.
- 4.3 The budget also reflects the movement of £700k made up of under spends which have been centralised from across BTP as part of the Finance Review Meetings process into a ring fenced line for the initiative to strengthen the front line as mentioned above.



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5 DfT FUNDED OLYMPICS EXPENDITURE

5.1 Table 1 below summarises the position for the DfT Olympics expenditure as at Period 9. The forecast for DfT Funded Olympics expenditure is currently £2.0m under budget. This position has resulted from lower than expected costs from BTP and the other forces who provided support for the Olympic policing, due to the success of both the Games and BTP's operations leading to a consequent reduction in the hours worked.

5.2 The DCC is exploring options with the DfT for this under spend to be retained by BTP to replace the Metal Theft Task Force which ceases at the end of the current financial year.

Table 1 – DfT Funded Olympics Expenditure Budget Summary as at Period 9

Revenue Budget for the 2013 Financial Year	YTD Position as at Period 9				Forecast Position as at Period 9					
	Approved Budget	Actual	Variance		Original Budget	Budget Movements	Revised Budget	Forecast	Variance	
	£'000	£'000	£'000	%	£'000	£'000	£'000	£'000	£'000	%
Expenditure										
Staff Costs	6,346	6,346	0	0.0 %	10,186	628	10,814	8,758	2,056	19.0 %
Non Staff Costs	966	966	0	0.0 %	732	1,238	1,970	1,990	(20)	(1.0%)
Total Expenditure:	7,312	7,312	0	0.0 %	10,918	1,866	12,784	10,748	2,037	15.9 %
Total Income:	(7,312)	(7,312)	0	0.0 %	(10,918)	(1,866)	(12,784)	(12,784)	0	0.0 %
Net Dft Funded Expenditure	0	0	0	0.0 %	0	0	0	2,037	2,037	

6 CAPITAL PROGRAMME

6.1 Table 2 below shows the Capital Programme in summary and appendix C shows the detailed programme by individual scheme.

Table 2 – Summary 2012/13 Capital Programme at Period 9

Scheme	Original 2012/13 Budget	2012/13 Revised Budget P9	P9 YTD Spend plus Commitment	Forecast Spend for Period 10	Forecast Spend for Period 11	Forecast Spend for Period 12	Forecast Spend for Period 13	P9 Full Year Forecast-2012/13	Variance to Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Estates	5,220	3,525	739	163	263	373	1,889	3,427	98
Technology	2,500	1,969	1,272	20	85	85	527	1,989	(20)
CCTV	199	650	0	0	185	140	325	650	1
Fleet	2,750	2,750	2,317	0	0	0	433	2,750	0
Other equipment etc	444	712	394	42	43	37	204	720	(8)
Contingency	487	413	0	0	0	0	413	413	0
TOTAL BTP FUNDED CAPITAL PROGRAMME	11,600	10,019	4,722	225	576	635	3,791	9,949	71



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- 6.2 The overall forecast for capital spend is £9.949k at period 9, including £413k for contingency which may not be required, which compares to the revised budget of £10,019k. The detail of the Capital Programme listing each scheme is shown at Appendix C.
- 6.3 There have been a number of revisions to the programme in-year most significantly in the Estates element of the programme as the Force Executive Board has reconsidered the proposed work on the Force Headquarters building. A number of new in-year schemes have been progressed in order to utilise the capital delegation released by the reduction in the Estates Rationalisation scheme. There have also been a number of changes to the Technology element of the Capital Programme to reflect the review of Technology requirements in BTP and also to ensure that proper approvals to spend are in place in accordance with the BTPA Scheme of Delegation.
- 6.4 Appendix C provides a column to show the approval status of each scheme within the revised capital programme, great care has been taken to ensure that all requirements of the BTPA Corporate Governance Code have been satisfied in seeking approval to spend for all capital schemes including seeking the Chief Executives approval to a number of schemes in line with the Authority's Scheme of Delegation.

7 BALANCE SHEET

- 7.1 The BTPA/BTP balance sheet is presented at Appendix E as at the end of the third quarter (Period 9). The bank balance as at Period 9 is £26.3m and current assets exceed current liabilities by £39.6m.

8 CASH FLOW FORECAST

- 8.1 The BTP cashflow is presented in Appendix F as the end of Period 9. The cash flow forecast is based on known timings for income and expenditure for ongoing revenue and Olympics expenditure. The cash balance as at the end of P9 is £27.6m. The difference in the cash flow position and bank balance results from timing difference most notably unrepresented cheques which are not included within the cash flow however the two positions have been reconciled.
- 8.2 There has been some slippage on the payment of invoices regarding the Olympics, both for mutual aid and the accommodation costs at the University of Hertfordshire. These have now been factored into Period 11 and 12. However the Olympics under spend may still need to be



repaid to the DfT. This has not been factored in to the cash flow. There is very likely to be an increase in cash payments towards the year end and a spike in payments at the end of April, as the invoices relating to accruals at 31 March are paid.

8.3 The projected cash position as at 31 March is £34.3m compared with a cash balance of £23.4m as at 31 March 2012 is due to the under spend on Olympics and the expected cash under spend on capital and revenue along with the net working capital position.

9 RECOMMENDATION

9.1 It is recommended that the forecast for the BTP Revenue and Capital budget and DfT funded Olympics expenditure and cash flow forecast as at Period 9 is noted.

**APPENDIX A – SUMMARY BY AREA AND DEPARTMENT**

	YTD Position as at Period 9				Forecast Position as at Period 9					
	Revised Budget	Actual	Variance		Original Budget	Budget Movements	Revised Budget	Forecast	Variance	
	£'000	£'000	£'000	%	£'000	£'000	£'000	£'000	£'000	%
FHQ Departments										
Deputy Chief Constable	4,763	4,759	5	0.1	7,950	(335)	7,615	7,519	96	1.3
Territorial Policing & Crime	12,218	12,199	19	0.2	19,450	(264)	19,186	19,126	60	0.3
Central Operations	9,594	9,441	153	1.6	14,745	147	14,892	14,844	49	0.3
Corporate Resources	18,299	18,097	201	1.1	43,929	(520)	43,409	43,321	88	0.2
Total FHQ Departments:	44,874	44,496	378	0.8	86,074	(972)	85,102	84,810	293	0.3
Areas										
London North	15,331	15,159	172	1.1	24,812	(838)	23,974	23,896	78	0.3
London South	16,507	16,398	109	0.7	25,973	(298)	25,675	25,634	42	0.2
North East	10,884	10,856	29	0.3	17,088	(185)	16,903	16,841	62	0.4
North West	10,844	10,763	82	0.8	16,770	(57)	16,713	16,694	19	0.1
Wales and Western	11,225	11,155	70	0.6	17,295	14	17,309	17,302	7	0.0
Scotland	7,987	8,090	(103)	-1.3	12,294	35	12,329	12,394	(65)	-0.5
L Area	35,415	35,371	44	0.1	51,876	0	51,876	51,874	2	0.0
Total Areas:	108,193	107,791	403	3.3	166,108	(1,328)	164,779	164,634	145	0.1
Front Line Initiative	0	0	0		0	700	700	1,000	(300)	
Savings Identified	0	0	0		0	1,600	1,600	0	1,600	
Total Net BTP	153,067	152,287	781	0.5	252,182	(0)	252,181	250,444	1,737	0.7
Cont. from previously identified savings	0	0	0		(3,338)	0	(3,338)	(1,738)	(1,600)	
Total Net BTP Budget	153,067	152,287	781	0.5	248,844	(0)	248,844	248,706	137	0.1

**APPENDIX B – SUMMARY BY EXPENDITURE AND INCOME**

	YTD Position at Period 9					Forecast Position as at Period 9				
	Revised Budget	Actual	Variance		Original Budget	Budget Movements	Revised Budget	Forecast	Variance	
	£'000	£'000	£'000	%	£'000	£'000	£'000	£'000	£'000	%
Expenditure										
Staff Costs										
Police Officer Pay	99,249	99,089	160	0.2	151,391	319	151,711	151,394	317	0.2
Police Officer Overtime	4,751	4,741	10	0.2	6,632	605	7,237	7,445	(208)	-2.9
PCSO Pay	6,723	6,672	50	0.7	9,883	369	10,252	10,029	223	2.2
PCSO Overtime	166	152	14	8.7	150	41	191	183	8	4.2
Police Staff Pay	32,214	31,799	415	1.3	51,028	14	51,042	50,621	421	0.8
Police Staff Overtime	527	571	(44)	-8.3	383	427	810	827	(17)	-2.1
Non Staff Costs										
Premises	12,409	12,507	(98)	-0.8	19,736	53	19,789	19,395	394	2.0
Communications and Computers	7,729	7,629	100	1.3	12,531	(85)	12,446	12,520	(74)	-0.6
Vehicle Costs	2,596	2,778	(182)	-7.0	3,620	165	3,785	3,937	(152)	-4.0
Travel and Hotels	899	796	103	11.4	1,454	48	1,502	1,559	(57)	-3.8
Supplies and Services	10,081	10,141	(60)	-0.6	15,942	3,551	19,493	19,982	(489)	-2.5
Capital Charges etc.	(253)	(389)	136	-53.7	9,127	48	9,175	9,203	(28)	-0.3
Total expenditure:	177,090	176,485	605	0.3	281,878	5,555	287,434	287,095	339	0.1
Income										
Enhanced PSA	(12,783)	(12,727)	(56)	0.4	(19,076)	(417)	(19,492)	(19,418)	(74)	0.4
Grants	(1,592)	(1,592)	(0)	0.0	(305)	(4,003)	(4,309)	(4,309)	0	0.0
Other Income	(9,648)	(9,880)	232	-2.4	(10,315)	(3,435)	(13,750)	(13,922)	172	-1.2
Total income:	(24,023)	(24,199)	176	-0.7	(29,696)	(7,855)	(37,551)	(37,649)	98	-0.3
Front Line Initiative	0	0	0		0	700	700	1,000	(300)	
Savings Identified (In-year)	0	0	0		0	1,600	1,600	0	1,600	
Total Net BTP Budget:	153,067	152,286	781	0.5	252,182	(0)	252,182	250,446	1,737	0.7
Contribution from previously found savings	0	0	0		(3,338)	0	(3,338)	(1,738)	(1,600)	
Total Net BTP Budget	153,067	152,287	781	0.5	248,844	(0)	248,844	248,706	137	0.1



APPENDIX C – CAPITAL BUDGET

Estates										
Programme	Approval Status	Original 2012/13 Budget	2012/13 Revised Budget P9	Period 9 YTD Spend and Commitment	Forecast Spend for Period 10	Forecast Spend for Period 11	Forecast Spend for Period 12	Forecast Spend for Period 13	P9 Full Year Forecast 2012/13	Full Year Variance to Budget
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Estate Rationalisation Programme*	Approved by Chief Exec (£300k to fall in 13/14)	2,300	500	61	86	86	86	181	500	0
Edinburgh Custody	Not required	365	0	0	0	0	0	0	0	0
Reading	Approved by Chief Exec	300	350	24	42	42	42	200	350	0
Southampton Refurbishment	Deferred 13/14	300	0	0	0	0	0	0	0	0
Cambridge	Deferred 13/14	270	0	0	0	0	0	0	0	0
N London Custody	Deferred 13/14	262	0	0	0	0	0	0	0	0
Security	Approved by FEB	250	250	37	0	0	75	90	202	48
Birmingham New St Station*	Approved by FEB	243	200	54	0	10	0	136	200	0
Ashford	Approval required by SIB	230	160	23	0	0	0	87	110	50
Minor Works Projects	Approved by Property Board (schemes < £25K)	200	360	209	5	30	75	41	360	0
Air Conditioning System Upgrades	Approved by Chief Exec	100	175	2	10	25	25	113	175	0
CRC Cardiff	Approved by Chief Exec	75	145	129	0	0	0	16	145	0
Capitalised Staff Costs	Approved by RAP/SIB	75	75	0	0	25	25	25	75	0
Nottingham	Approved by Prop Board	55	10	9	0	0	0	1	10	0
Gloucester	Approved by Chief Exec	50	75	0	0	25	25	25	75	0
Stratford	Deferred 14/15 and 15/16	50	0	0	0	0	0	0	0	0
Other schemes - Retentions	Not required	50	50	0	0	0	0	50	50	0
FCRL Relocation* Stamp Duty	Approved by SIB	45	45	27	0	0	0	18	45	0
New Schemes in Year										
Inverness	Approved by SIB	0	39	39	0	0	0	0	39	0
Special Branch Office Blundell Street	Approved by SIB	0	82	82	0	0	0	0	82	0
Bangor	Approved by SIB	0	42	42	0	0	0	0	42	0
Lewisham	Approved by SIB	0	75	0	0	0	0	75	75	0
Portsmouth	Approved by SIB	0	90	1	0	0	0	89	90	0
Ebury - addition of Duplex UPS	Approved by SIB	0	40	0	20	0	0	20	40	0
FHQ Server Room - Fire safety system	Approved by SIB	0	40	0	0	20	20	0	40	0
FHQ Meeting Room Management	Approved by SIB	0	38	0	0	0	0	38	38	0
Brighton - Relocation costs	Approved by SIB	0	10	0	0	0	0	10	10	0
Edinburgh Ventilation	Approved by SIB	0	50	0	0	0	0	50	50	0
AHQ Glasgow, Lighting system	Approved by SIB	0	50	0	0	0	0	50	50	0
Callaghan Square Improvement Works*	Approved by SIB	0	169	0	0	0	0	169	169	0
Guildford Toilets*	Approved by SIB	0	75	0	0	0	0	75	75	0
Signage	Approved by SIB	0	25	0	0	0	0	25	25	0
HRBC - Improvements (Restructure)*	Approved by Chief Exec (some spend to fall in 13/14)	0	270	0	0	0	0	270	270	0
Blundell Street Taser Unit	Approved by SIB	0	35	0	0	0	0	35	35	0
Total Estates		5,220	3,525	739	163	263	373	1,889	3,427	98

* some expenditure may fall in 2013./14 for these schemes



APPENDIX C – CAPITAL BUDGET

Technology										
Programme	Approval Status	Original 2012/13 Budget	2012/13 Revised Budget P9	P9 YTD Spend and Commitment	Forecast Spend for Period 10	Forecast Spend for Period 11	Forecast Spend for Period 12	Forecast Spend for Period 13	P9 Full Year Forecast 2012/13	Full Year Variance to Budget
		£000	'£000	£000	£000	£000	£000	£000	£000	£000
Airwave Replacement&Upgrade	Approved by SIB	650	450	336	0	0	0	114	450	0
Server& Desktop Cyclical Replacement	Approved by SIB	500	500	349	0	65	65	10	489	11
Data Centralisation	Approved by SIB	350	194	14	0	0	0	180	194	0
50 Desktops GIS	Approved by SIB	0	50	0	0	0	0	50	50	0
Minor Projects	Approved by SIB	400	200	196	0	0	0	4	200	0
Iccs System Upgrade	Approved by SIB	200	89	120	0	0	0	0	120	(31)
Disaster Recovery Expansion	Approval required by Chief Exec	0	70	0	0	0	0	70	70	0
Cyclic Replace Prog-Laptops	Approved by SIB	100	76	12	12	12	12	28	76	(0)
Disaster Recovery Investment	Approved by SIB	100	140	145	0	0	0	0	145	(5)
Information Management Systems	Approved by SIB	100	100	68	0	0	0	31	99	1
Minor Equipment Replacement	Approval by Tech Board	100	100	32	8	8	8	40	96	4
Total Technology		2,500	1,969	1,272	20	85	85	527	1,989	(20)

CCTV										
Programme	Approval Status	Original Budget 2012/13	2012/13 Revised Budget P9	P9 YTD spend and Commitment	Forecast Spend for Period 10	Forecast Spend for Period 11	Forecast Spend for Period 12	Forecast Spend for Period 13	P9 Full Year Forecast- 2012/13	Full Year Variance to Budget
		£000	'£000	£000	£000	£000	£000	£000	£000	£000
Arriva Trains Connection To FRCB	Approved by Chief Exec	89	168	0	0	65	40	63	168	0
CCTV Processing Units at 7 locations	Approved by SIB	0	0	0	0	0	0	0	0	0
Retrieval Cadre Equipment	Approved by SIB	16	16	0	0	0	0	16	16	0
Siraview Software)	Approved by SIB	16	16	0	0	0	0	16	16	0
Scottish Events Room and Scot Rail	Approved by Chief Exec	0	372	0	0	120	100	152	372	0
Improvements to Out of London NR CCTV	Approved by SIB	78	78	0	0	0	0	78	78	0
Total CCTV		199	650	0	0	185	140	325	650	0



APPENDIX C – CAPITAL BUDGET

Fleet										
Scheme	Approval Status	Original 2012/13 Budget	2012/13 Revised Budget P9	Period 9 YTD Spend and Commitment	Forecast Spend for Period 10	Forecast Spend for Period 11	Forecast Spend for Period 12	Forecast Spend for Period 13	P9 Full Year Forecast 2012/13	Full Year Variance to Budget
Fleet Replacement Programme	Approved by SIB	£000	'£000	£000	£000	£000	£000	£000	£000	£000
Unplanned insurance write off provision	Approved by SIB	2,750	2,684	2,317	0	0	0	367	2,684	0
		0	66	0	0	0	0	66	66	0
Total Fleet		2,750	2,750	2,317	0	0	0	433	2,750	0
Other Equipment										
Scheme	Approval Status	Original 2012/13 Budget	2012/13 Revised Budget P9	Period 9 YTD Spend and Commitment	Forecast Spend for Period 10	Forecast Spend for Period 11	Forecast Spend for Period 12	Forecast Spend for Period 13	P9 Full Year Forecast 2012/13	Full Year Variance to Budget
Deputy Chief Constables		£000	'£000	£000	£000	£000	£000	£000	£000	£000
Portable Video Interview Equipment	Approved by SIB	7	7	0	7	0	0	0	7	0
Secure Wireless Microphone System	Approved by SIB	5	5	0	5	0	0	0	5	0
Social Media and Marketing	Approved by SIB	0	78	7	17	17	17	20	78	0
Central Operations										
Dm Mobile Explosive Trace Equipment	Approved by SIB	22	22	26	0	0	0	0	26	(4)
Rapid DNA Profiling Equipment	Deferred to 13/14	20	0	0	0	0	0	0	0	0
Lab Services Iso Accreditation	Approved by SIB	30	30	0	13	0	0	17	30	0
Hazardous Material Identification System	Scheme not required	102	0	0	0	0	0	0	0	0
Crime - Case & Custody	Approved by SIB	0	177	137	0	0	0	40	177	(0)
HE Crime Lights - Replacement	Approved by SIB	0	6	0	0	6	0	0	6	0
HE Lift SP2 Photographic System	Approved by SIB	0	6	6	0	0	0	0	6	0
SRU Equipment										
Photo ionization detection (PID) systems	Approved by SIB	0	16	0	0	0	0	16	16	0
Merlin Radio Spectrum Analyzer	Approved by SIB	0	14	0	0	0	0	14	14	0
Search Light ECM GSM Detection System	Approved by SIB	0	35	0	0	0	0	35	35	0
Thermal imaging cameras - GPD Section	Approved by SIB	0	32	0	0	0	0	32	32	0
Territorial Policing & Crime										
TP ANPR New Cameras	Approved by SIB	90	54	54	0	0	0	0	54	0
TP Covert ANPR Equipment	Approved by SIB	60	60	58	0	0	0	2	60	0
TP Covert Datong Equipment	Approved by SIB	44	44	44	0	0	0	0	44	0
Upgrade Q Electronics Equipment	Approved by SIB	35	35	39	0	0	0	0	39	(4)
TP Initiative Mobile ID	Approved by SIB	0	40	0	0	20	20	0	40	0
Crime update theft report	Approval required by Tech	0	18	0	0	0	0	18	18	0
Fusion Cell IT equipment	Approval required by Tech	0	10	0	0	0	0	10	10	0
Corp Res - Finance & Procurement										
E-Financials 4.1 Upgrade	Completed	29	23	23	0	0	0	0	23	0
Total Other Equipment		444	712	394	42	43	37	204	720	(8)



APPENDIX D – ESTABLISHMENT POSITION AS AT PERIOD 9

Table 1: BTP Establishment by Area	Police Officers			Police Staff			PCSOs			Total Employees		
	Total Est. (FTE)	Actual in Post (FTE)	Net Vacancies (FTE)	Total Est. (FTE)	Actual in Post (FTE)	Net Vacancies (FTE)	Total Est. (FTE)	Actual in Post (FTE)	Net Vacancies (FTE)	Total Est. (FTE)	Actual in Post (FTE)	Net Vacancies (FTE)
London North	437	411	-26	104	99	-5	118	102	-16	659	612	-47
London South	396	376	-20	90	86	-4	51	47	-4	537	509	-28
London Underground	678	679	2	232	203	-29	112	108	-4	1,022	990	-32
North East	271	261	-10	63	62	-1	19	17	-2	354	340	-14
North West	257	255	-2	58	56	-2	36	29	-7	351	340	-11
Scotland	218	211	-7	48	46	-2	No PCSOs in Scotland			267	257	-10
Wales & Western	250	249	-1	69	67	-2	66	64	-2	385	380	-5
Area Sub-Total	2,508	2,442	-66	664	619	-45	402	367	-35	3,574	3,428	-146
Absent Substantive Area Employees	0	19	19	0	6	6	0	1	1	0	26	26
Total Areas	2,508	2,461	-47	664	625	-40	402	368	-34	3,574	3,454	-120

Table 2: BTP Establishment by FHQ Department	Police Officers			Police Staff			PCSOs			Total Employees		
	Total Est. (FTE)	Actual in Post (FTE)	Net Vacancies (FTE)	Total Est. (FTE)	Actual in Post (FTE)	Net Vacancies (FTE)	Total Est. (FTE)	Actual in Post (FTE)	Net Vacancies (FTE)	Total Est. (FTE)	Actual in Post (FTE)	Net Vacancies (FTE)
Central Operations	155	158	3	120	112	-8				275	270	-5
Corporate Resources	29	30	1	282	271	-11				311	301	-10
Olympics	2	2	0	2	2	0				4	4	0
DCC Group	21	23	2	106	104	-2				127	127	0
TP & Crime	128	122	-6	304	276	-28				432	398	-34
Absent Substantive FHQ Employees	0	9	9	0	2	3				0	11	12
Total FHQ Departments	335	344	9	814	767	-46				1,149	1,111	-37

Table 3: BTP Overall Establishment Data	Police Officers			Police Staff			PCSOs			Total Employees		
	Total Est. (FTE)	Actual in Post (FTE)	Net Vacancies (FTE)	Total Est. (FTE)	Actual in Post (FTE)	Net Vacancies (FTE)	Total Est. (FTE)	Actual in Post (FTE)	Net Vacancies (FTE)	Total Est. (FTE)	Actual in Post (FTE)	Net Vacancies (FTE)
	2,843	2,805	-38	1,478	1,392	-86	402	368	-34	4,723	4,565	-157


APPENDIX E - BALANCE SHEET AS AT PERIOD 9)

Statement of Financial Position as at	Period 9
	£
Intangible Non Current Assets	
Software and Licences	8,373,014
Tangible Non Current Assets Assets	
Land & Buildings	32,591,991
Plant & Machinery	6,126,342
Motor Vehicles	6,082,287
Fixtures & Fittings	821,032
Information Technology	8,131,971
	<u>53,753,623</u>
Total Non-Current Assets	<u>62,126,637</u>
Current Assets	
Inventories	711,822
Receivables	
- Accounts Receivable	30,780,246
- Other Receivables	3,833,368
- Income Accruals	4,916,790
- Prepayments	3,273,135
	<u>42,803,540</u>
Cash and cash equivalents	
- Bank	26,367,477
- Petty Cash	25,897
	<u>26,393,373</u>
Current Liabilities	
Trade Payables	(2,750,672)
Accruals	(8,035,911)
Payroll Payables	(18,679,390)
Other Payables	(777,529)
Net Current Assets/(Liabilities)	<u>39,665,233</u>
Total Assets less Current Liabilities	101,791,870
Add:	
Non Current Receivables	0
Less:	
Payables falling due after more than one year	(1,134,286)
Provisions for liabilities and charges	(593,790)
Net assets excluding pension liability	<u>100,063,793</u>
Pension liability	(306,270,000)
TOTAL ASSETS LESS LIABILITIES	<u>(206,206,207)</u>
FINANCED BY:	
General Reserve	95,793,606
Revaluation Reserve	4,270,187
Pension Reserve	(306,270,000)
	<u>(206,206,207)</u>



APPENDIX F - CASHFLOW FORECAST AS AT PERIOD 9

	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	Period 13
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bfwd	25,654	29,924	24,212	26,572	37,480	42,398	43,151	42,328	30,106	27,601	35,901	35,090	33,612
Expenditure													
Pay	-8	-9,027	-9,025	-9,225	-9,413	-9,329	-10,334	-9,824	-8,961	-9,100	-8,900	-9,000	-17,600
Tax / NI /Pensions	-3,428	-7,610	-7,486	-7,435	-8,244	-7,094	-8,261	-12,736	-7,658	-7,800	-8,100	-7,400	-8,000
AP	-2,299	-5,847	-3,536	-4,602	-3,575	-3,153	-3,530	-5,192	-1,396	-4,300	-3,000	-6,400	-6,900
Capex	-2,518	-1,182	-916	-983	-1,462	-405	-427	-155	-436	-900	-900	-1,000	-1,000
Total Expenditure	-8,253	-23,666	-20,963	-22,245	-22,694	-19,981	-22,552	-27,907	-18,451	-22,100	-20,900	-23,800	-33,500
Income													
Income from TOC's	12,488	17,908	20,183	17,857	27,560	20,707	21,675	13,966	15,875	30,200	20,034	19,862	34,155
DfT		0	3,109	15,206	0	0	0	1,643	0	0	0	2,400	0
Other	35	46	31	90	52	27	54	76	71	200	55	60	60
Total Income	12,523	17,954	23,323	33,153	27,612	20,734	21,729	15,685	15,946	30,400	20,089	22,322	34,215
C/fwd at period end	29,924	24,212	26,572	37,480	42,398	43,151	42,328	30,106	27,601	35,901	35,090	33,612	34,327

	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	Period 13
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Lowest point of the Period	18,000	15,000	20,500	31,100	37,160	34,267	31,842	29,578	25,610	25,700	32,200	28,200	27,100

GROSS BTP/A BUDGET AND FORECAST AS AT PERIOD 9 2012/13

		Period 9 YTD Actual £'000	Period 9 YTD Budget £'000	Period 9 YTD Variance £'000	Full Year Forecast £'000	Full Year Budget as presented in P9 report £'000	Full Year Variance £'000	Full Year Original Budget £'000
TOTAL GROSS REVENUE								
Core PSA holders <i>(ex L U contribution included below)</i>	#	130,303	130,303	-	188,216	188,216	-	188,216
L Area contribution to overheads core	#	3,624	3,624	-	5,235	5,235	-	5,235
Grant in Aid – DfT irrecoverable gap	#	3,730	3,730	-	5,388	5,388	-	5,388
Core PSA Charge		137,658	137,658	-	198,839	198,839	-	198,839
Provision release		0	0	-	1,738	3,338	(1,600)	3,338
BTP/A Budget gross of £3.338k PSA Smoothing provision		137,658	137,658	-	200,577	202,177	(1,600)	202,177
L Area contribution to overheads non core	#	2,859	2,859	-	4,130	4,130	-	4,130
L Area core PSA	#	35,913	35,913	-	51,875	51,875	-	51,875
Enhanced PSA holders		12,727	12,783	(56)	19,418	19,492	(74)	18,950
Other income inc Olympics		9,880	9,648	232	13,922	13,750	172	9,598
Grants – Cable theft funding		1,592	1,592	0	4,309	4,309	-	305
TOTAL GROSS REVENUE		200,629	200,453	176	294,231	295,733	(1,502)	287,035
TOTAL GROSS COSTS								
Gross costs as reported by BTPA		176,485	177,090	605	287,095	287,434	339	268,252
BTPA		1,002	1,169	167	1,870	1,870	-	1,870
London Underground – extra		2,859	2,859	0	4,130	4,130	-	4,130
Front Line Initiative		0	0	0	1,000	700	(300)	12,783
TOTAL GROSS COSTS		180,346	181,119	772	294,095	294,134	39	287,035
Savings identified in year		-	-	-	-	(1,600)	1,600	-
Actual Surplus / (Deficit)		20,283	19,335	948	136	(1)	137	-

income accrues evenly over 13 periods

Note only : Gross Income reconciliation to PSA Charges

	<u>£000</u>
Gross Income	295,733
Less EPSA Income	(19,492)
Less other income inc Olympic funding	(13,750)
Less Cable theft revenue	(4,309)
Less L Area income (core)	(51,875)
Less L Area additional overhead funding netted off in budget	(4,130)
BTP/A Budget gross of £3,338k provision release	202,177
BTPA Budget	1,870
BTP Budget gross of £3,338k provision release	200,307
As above	202,177
Less provision release	(3,338)
Core PSA Charges	198,839

BTPA 2012/13 Budget Monitoring - Quarter 3

	YTD Quarter 3 2012/13			2012/13					2011/12	
	Actual YTD £	Budget YTD £	Variance YTD £	Q2 Forecast £	Revisions to Q2 Forecast	Q3 Forecast	FY Budget £	FY budget vs. forecast variance £	FY Actual £	FY Budget £
Staff Salaries	391,417	422,070	30,653	619,527	-	619,527	649,400	29,873	580,440	610,604
Temporary Staff	20,592	36,092	15,500	46,352	-	46,352	55,352	9,000	56,880	52,800
Members Salaries	146,831	176,970	30,139	249,035	-	249,035	270,660	21,625	209,131	298,693
TOTAL STAFF COSTS	558,840	635,132	76,292	914,914	-	914,914	975,412	60,498	846,451	962,097
Travel and hotel costs (inc Expenses)	9,961	24,356	14,395	31,750	(5,500)	26,250	37,250	11,000	16,829	31,902
Premise and office costs	90,114	88,548	(1,566)	134,621	5,000	139,621	135,426	(4,195)	118,579	126,881
Communications (inc equipment purchases)	20,517	22,465	1,948	34,358	2,985	37,343	30,650	(6,693)	29,416	36,800
Subscriptions and Publicity	32,603	32,269	(334)	53,655	(7,385)	46,270	50,000	3,730	32,761	56,328
Appeals	2,500	11,442	8,942	10,000	-	10,000	17,500	7,500	13,222	17,220
Independent custody visiting	15,165	21,250	6,085	27,500	(5,000)	22,500	32,500	10,000	27,876	38,491
Total consultancy	36,748	55,577	18,829	85,000	25,000	110,000	85,000	(25,000)	104,899	100,000
Legal fees	142,608	123,413	(19,195)	206,500	9,250	215,750	188,750	(27,000)	96,927	200,000
External audit	20,000	11,538	(8,462)	140,000	-	140,000	100,000	(40,000)	110,000	120,000
HMIC Inspections	-	47,077	47,077	77,000	5,000	82,000	72,000	(10,000)	54,000	49,194
Internal Audit	66,708	62,769	(3,939)	106,000	-	106,000	96,000	(10,000)	169,840	97,812
Recruitment and training	2,360	24,372	22,012	37,275	(25,000)	12,275	37,275	25,000	42,795	33,274
Other	3,930	9,258	5,328	13,350	(4,350)	9,000	14,160	5,160		
Transfer to contingency	-	-	-	-	-	-	-	-	200,000	-
TOTAL NON STAFF COSTS	443,214	534,334	91,120	957,009	0	957,009	896,511	(60,498)	1,017,145	907,903
TOTAL BTPA COSTS	1,002,054	1,169,466	167,412	1,871,922	0	1,871,922	1,871,922	0	1,863,596	1,870,000

Report to: Finance Group
Agenda item: 4
Date: 17 January 2013
Subject: BTPA 2012/13 Quarter 3
Sponsor: Authority Finance Director
For: Discussion and Noting

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1. Purpose of paper

- 1.1 This paper details the summary financial position at the end of quarter 3 (period 9) and sets out the full year forecast spend for 2012/13 for the Authority. This information has also been included for the combined BTP Fund which shows the overall gross income and costs. It also presents information on the core PSA debtors as at the end of period 9

2. BTP/ A Summary Financial Position Quarter 3 2012/13

- 2.1 Appendix A summarises the total gross income and the total costs for both BTP and the Authority. The phasing of the income budget is in line with the invoicing, i.e. thirteen equal amounts invoiced over the financial year. The year to date budgeted and actual surplus of £20.3 million and £19.3million reflects the phasing of the spend in the final period of the year, when all the depreciation costs are charged together with an additional accrual for payroll costs for the final two weeks of the year.
- 2.2 The overall favourable variance on the surplus year to date is £948k, made up of £167k for the Authority and £781k for the force. The current forecast shows a £136k surplus, all of which is attributable to BTP.

3. BTPA Financial Position Quarter 3 2012/13

- 3.1 At the end of quarter 3 against a budget of £1,169.5k, the Authority has incurred expenditure of £1,002.1k, an under spend of £167.4k. The detailed analysis of spend is detailed in appendix B.

3.2 In summary the major variances year to date are set out below:

	£000
Budget 2012/13 to period 9	1,169.5
Underspend on staff salaries (inc temp staff)	(46.2)
Under spend on member salaries	(30.1)
Underspend on Travel and hotel costs (inc expenses)	(14.4)
Overspend on legal fees	19.2
Net under spend on HMIC timing only	(47.1)
Under spend on consultancy / pensions advice	(18.8)
Under spend on recruitment	(22.0)
Other net under spends	(8.0)
2012/13 Actual to period 9	1,002.1

3.3 **Staff and Member costs** are underspent by £76.3k up to period 9. Member salaries are under spent because the budget assumes that we would have 14 charging members from 1 April 2013 and as at period 9 we have 13 charging members. Staff costs are underspent because the temporary member of staff who runs the charging model was not been employed by us from June to August. In addition to this the PSA manager is working part time against a full time equivalent budget and an administration role was also made redundant in August.

3.4 **Non staff costs** are also underspent, by £81.1k at the end of the first quarter. The only major overspend year to date is in legal costs, which is overspent by £19.2k. It is expected that the majority of this overspend can be absorbed within the overall total budget in 2012/13. The analysis of legal spend is summarised in the table below:

<u>SUPPLIER</u>	<u>DETAIL OF ADVICE</u>	<u>£k</u>
Simons Muirhead	Employment contract advice	70.3
Burges Salmon	Unauthorised pensions advice	35.1
Weightmans	Advice on PSAs	23.6
Other	Scottish and Regs advice	13.6
Total		142.6
Budget		123.4

Overspend		19.2
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- 3.5 The major under spend is on **HMIC is** caused by incorrect phasing of the budget, which will all reverse by the year end.
- 3.6 No major **recruitment** charges have been incurred during the year, leading to a favourable variance of £22.0k

4. BTPA Financial Forecast 2012/13

- 4.1 At this stage there are **no material risks** to delivering the BTPA costs within the total budget of £1.87 million unless there is a legal challenge to the PSA which will become effective 1 April 2013 or the employee professional standard legal advice continues apace. Although with less than three months remaining in the financial year, this becomes increasingly unlikely. The risk of a material over spend will, however, remain for 2013/14.
- 4.2 A full reforecast has been completed and the overall cost is expected to remain in line with budget, although there are some over spends expected, which will be offset by identified under spends. The major movements are outlined highlighted in Appendix B but are set out below with additional commentary,

	£000
Budget 2012/13	1,871.9
Underspend on staff salaries (inc temp staff)	(38.9)
Under spend on member salaries	(21.6)
Underspend on Travel and hotel costs (inc expenses)	(11.0)
Underspend on recruitment	(25.0)
Over spend on Consultancy re Strategy advice	25.0
Overspend on legal fees	27.0
Additional 2011/12 NAO fees (£20k) and estimate of additional fees in 2012/12	40.0
Additional contingency days for Internal audit (20 days)	10.0
Other net under spends	(5.5)
2012/13 Forecast as at period 9	1,871.9

5. Core PSA Debtors position at 2012/13 Q3 end

- 5.1 Appendix C summarises the core PSA debtors.
- 5.2 As at quarter 3 there is a total outstanding debt of 16,750k. 91% of the debt is current. There are no items more than 30 days overdue.
- 5.3 As at 7 January 92.0% of quarter 3 debtors have now been paid, in line with quarter two debt clearance.

6. Recommendations

- 6.1 That Members note the gross year to date revenue and expenditure for BTP and the Authority; the full year forecast for the Authority and the core PSA debtor position.



Report to: Finance Group
Date: 16 January 2013
Agenda Item: 5
Subject: BTP Proposed Capital Programme 2013/14 – 2015/16
Sponsor: Interim Director of Corporate Resources
Author: Head of Finance

1. PURPOSE OF PAPER

- 1.1 This report sets out the proposed Capital Programme for 2013/14 – 2015/16 based on the prioritisation by BTP's Service Improvement Board (SIB) of all scoping bids received from across the Service.
- 1.2 A full Business Case will need to be produced for those items that are to be included in the Capital Programme in accordance with corporate governance requirements before authority to spend is given. For schemes costing in excess of £500k Business Cases will need to be recommended by the BTP SIB and Force Executive Board (FEB) for approval by the Chief Executive and those above £1m by the British Transport Police Authority.

2. BACKGROUND

- 2.1 Each year the DfT is required to notify the BTPA of the amount included in their authorised spending programme known as the Departmental Expenditure Limit (DEL) for capital expenditure. The allocation advised for 2013/14 is currently £11.2m. This is a marginal reduction from the 2012/13 budget allocation of £11.6m. This is in line with expectations.
- 2.2 The 2013-16 capital programme was formally reviewed by SIB 5th December and an extraordinary SIB 6th December. The SIB then provided a recommended Capital Programme that was further discussed by FEB on 18 December. A thorough review was undertaken of both the outturn for 2012/3 and the capital programme for years 13/14 to 15/16 to ensure robust delivery plans were in place to be confident that the phasing of the expenditure was correct. This together with reviews of Business Cases for all projects included in the programme was undertaken to ensure the correct priority was given to them and to allow robust debate and challenge at all review meetings. The FEB recommended Capital



Programme is being presented to the BTPA Finance Group on 16 January for recommendation to the BTPA main meeting on 31 January.

- 2.3 The proposals for capital expenditure are summarised in Table 1 below with detailed sheets for each area of spend in Appendices A(i) to A(iii). The total value of schemes proposed in 2013/14 is £11.2m.
- 2.4 The reviews carried out demonstrate to the DfT that a robust process has been followed to determine the proposed programme and shows that there has been a full initial scrutiny on all scoping bids submitted and that in formulating the programme within the £11.2m fundng:
- a. a number of Estates projects have been reduced in scope for value for money reasons or re-phased to later years to ensure delivery is achievable i.e. Cambridge into 2013/4, Stratford into 2014/15 & 2015/16
 - b. A number of Estates and Information Technology projects have been included in the Capital Programme at reduced amounts from those originally bid for. Although delivering the schemes within these reduced allocations will be challenging they are considered achievable by those sponsoring the schemes.

**Table 1 – Proposed Capital Programme**

BTP CAPITAL PROGRAMME 2013/14 to 2015/16				
	BTP Departmental Capital Totals 2013/14 to 2015/16			
Department	2013/14	2014/15	2015/16	On going Revenue Impact
	£000	£000	£000	£000
Estates	5,240	5,175	3,150	30
Technology	2,552	2,685	2,757	300
CCTV	35	36	46	0
Fleet	2,152	2,225	2,175	0
Other equipment etc	321	1,114	2,323	161
Contingency	900	900	900	0
TOTAL BTP FUNDED CAPITAL PROGRAMME	11,200	12,135	11,351	491
DEL	11,200	11,200	11,200	
Over/(under DEL)	0	935	151	

2.5 The BTPA has previously stressed that the programme submitted for approval must not exceed the DEL allocation. It should be noted that the Capital Programme for future years does not currently meet the expected DEL however continuing reviews will be taking place throughout 2013/14 to ensure either appropriate reductions are found or work re-prioritised to meet the DEL requirement.

2.6 The Capital Programme following from last years approach includes an element for contingency, this is in line with best practice. The proposed level of contingency of £900k is appropriate for a Programme of this size in 2013/14 This element of contingency is identified



to each project but is held corporately rather than allocating to each individual scheme as this becomes more difficult to manage and increases the likelihood of significant underspending across the Programme.

- 2.7 The appendices now include a column highlighting what approvals are needed to meet the governance requirements and once the Capital Programme is approved at a high level the development of full business cases will begin.
- 2.8 The appendices also show an estimate of the likely on-going revenue impact of the schemes included. In most cases there will be no revenue impact as any additional revenue costs will be managed within budget however in developing the business cases for those schemes where this is required a full assessment of revenue impacts will be made and submitted for approval as part of the overall approval process. Also where savings have been identified by delivery of a project these savings have been identified and the relevant cost centre budget has been reduced.

3. **PROPOSED CAPITAL PROGRAMME**

The main elements of the draft programme are as follows:

Estates

- 3.1 As reported above the largest project included in the Estates element of the Capital Programme for next year is the South London Custody at a total cost of £5.5m with £1.5m falling 2013/14. A detailed Business Case will be submitted to the BTPA for approval in due course. However the proposal will need to be reviewed in the light of experience at the similar facility opened in 2011 in London North and of projections of demand for custody facilities across London.
- 3.2 There are also relocation proposals for London North Area HQ, Wigan and Glasgow Empire House with refurbishment works at Southampton, Swansea & Birmingham Axis.
- 3.3 The Estates Rationalisation Programme, total cost of £800k plus contingency, will be completed in 2013/14 with in year costs of £300k



- 3.4 In addition to the above items there are a number of smaller schemes included within Minor Works that are considered by Property Board and have been identified as their current priorities for 2013/14
- 3.5 The program of works for HR Business Centre are currently planned for 2012/13 for £270k however this is currently under review to confirm delivery date with some risk that some of these costs may move into 2013/14. When re-phasing of capital expenditure is required to allow completion of projects that cross over financial years this is monitored and reported on to ensure appropriate controls and governance are followed.

Information Technology

- 3.6 Within the Information Technology element of the Capital Programme a number of changes to the original proposed spend have been made following a review of the overall Information Technology Strategy and also to ensure appropriate approvals are in place to satisfy governance requirements. Most of draft programme relates to cyclic maintenance and replacement of equipment. The largest item in the programme is the Desktop Virtualisation Programme to replace the current desktops with thin client PCs across the Force to allow a more efficient maintenance regime lowering future revenue costs.
- 3.7 The annual programme also includes on going need for replacement of Airwave radio equipment at £350k in 2013/14 (reduced from the last year's submission of £750k).
- 3.8 Following the upgrade of the Integrated Command and Control System (ICCS) there is an ongoing provision of £100k per year to meet requirement for minor replacements.
- 3.9 Provision is included in the draft programme for Minor Equipment Replacement of £100k; and Information Management Systems of £80k. These provisions are allocated by Information Management Board in year dependant on bids submitted.
- 3.10 A provision of £120k is included in each of the years 2014/15 and 2015/16 for a programme of roll out of the Microsoft Sharepoint system to provide an Electronic Data Records Management System. The amount included relates to the hardware and licences required to provide the IT facilities. Specific projects to transfer current paper storage to electronic storage would need significant project management and set up costs are not covered by this



provision. Any such proposals would need to be supported by a Business Case and resources allocated to meet requirements. It is, however, understood that there are a number of potential applications including HR records that are in a position to proceed as soon as the IT environment is available.

CCTV

- 3.11 Major investment in CCTV has been funded in recent years from Network Rail investment schemes these major works are nearly complete if further funding is offered by Network Rail this will be reviewed for an appropriate business case. Therefore there are now only two minor on going programs included within the Capital Programme for CCTV these are for Retrieval Cadre Equipment (£17k in 2013/14) and Siraview Software (£18k in 2013/14)

Fleet

- 3.12 The Fleet programme is based on the Fleet Manager's assessment of the requirements to replace the existing fleet in accordance with the established criteria related to age and mileage. No expansion of the fleet is included in the draft programme. It should be noted that a reduced amount for Fleet Replacement is now required as procurement savings have been realised

Other equipment

- 3.13 A range of other purchases proposed are outlined in Appendix A (iii). These take account of the ongoing threats from terrorist organisations and hi-tech requirements to deal with specialist crime.

4. CONCLUSIONS

- 4.1 There has been a robust challenge and review process to create the current draft Capital Programme and now clearly identifies the governance process each project must follow to gain approval.
- 4.2 The current draft Capital Programme is in line with the notified DEL for 2013/14 with a programme of continuous reviews being undertaken throughout the year to ensure the required Capital Programme funding meets the DEL for years 2014/15 and 2015/16.



Appendix A (i)

Estates					
Scheme	Approval Requirement	2013/14	2014/15	2015/16	on-going Revenue Impact
		£000	£000	£000	£000
London South Custody	BTPA	1,500	4,000	0	TBC
Stratford	BTPA	0	400	1,600	TBC
London North AHQ Relocation	BTPA	0	100	900	TBC
Estate Rationalisation Programme	Chief Exec (in 2012/13)	300	0	0	TBC
FHQ Basement Upgrade	FEB	350	0	0	TBC
FHQ Reception/Security	FEB	350	0	0	TBC
Southampton Refurbishment	FEB	300	0	0	TBC
Security	FEB	250	250	0	TBC
Leicester East Street	FEB	250	0	0	TBC
Guildford (Redevelopment by NWR)	FEB	0	0	300	TBC
Liverpool Street	FEB	0	0	350	TBC
Birmingham New St Station	FEB	250	0	0	TBC
Minor Works Projects	Property Board	250	250	0	TBC
Sunderland	SIB	200	0	0	TBC
Wigan - relocation	SIB	150	0	0	20
Birmingham Axis (AHQ) - replacement windows	SIB	150	0	0	TBC
Areas Lighting Upgrades	SIB	115	0	0	TBC
Cambridge	SIB	100	0	0	TBC
Air Conditioning System Upgrades	SIB	100	100	0	TBC
Glasgow Empire House - Relocation to Buchanan House	SIB	100	0	0	TBC
Blundell St - Space Utilisation	SIB	100	0	0	TBC
Capitalised Staff Costs	SIB	75	75	0	TBC
Swansea - full refurbishment	SIB	75	0	0	TBC
FHQ Lighting upgrades	SIB	60	0	0	TBC
Pontyprid	SIB	50	0	0	TBC
Manchester Victoria - new accommodation	SIB	50	0	0	10
Birmingham Axis (AHQ) - refurbishment	SIB	50	0	0	TBC
FHQ Server room air conditioning	SIB	35	0	0	TBC
FHQ Air conditioning control & zoning	SIB	30	0	0	TBC
Total Estates		5,240	5,175	3,150	30



Appendix A (ii)

Technology					
Scheme	Approval Requirement	2013/14	2014/15	2015/16	On-going revenue impact
		£000	£000	£000	£000
Desktop Virtualisation	BTPA	1,100	1,000	220	100
Digital Evidence	BTPA	0	0	1,000	TBC
Infrastructure Maintenance	FEB	200	500	500	TBC
Iccs System Upgrade	FEB	100	100	100	TBC
Airwave Replacement & Upgrade	SIB	350	500	500	40
Data Optimisation	SIB	185	185	0	120
Airwave Covert	SIB	110	0	0	TBC
Cyclic Replace Prog-Laptops	SIB	100	100	137	TBC
Information Management Systems	SIB	80	80	80	TBC
Messaging (Outlook & Blackberry)	SIB	70	0	0	TBC
Network Security	SIB	50	0	0	TBC
Data Centralisation	SIB	40	0	0	TBC
Active Directory Management and Maintenance	SIB	30	0	0	TBC
London Bridge Airwave Scheme	SIB	27	0	0	TBC
Sharepoint	SIB	0	120	120	TBC
Liverpool Street Airwave Scheme	SIB	0	0	0	40
Technology Board Operational Development	Tech Board	100	100	100	TBC
Telephone Handsets Spares	Tech Board	10	0	0	TBC
Total Technology		2,552	2,685	2,757	300

CCTV					
Scheme	Approval Requirement	2013/14	2014/15	2015/16	On-going revenue impact
		£000	£000	£000	£000
Retrieval Cadre Equipment	SIB	17	18	28	TBC
Siraview Software	SIB	18	18	18	TBC
Total CCTV		35	36	46	0



Appendix A (iii)

Fleet					
Scheme	Approval Requirement	2013/14	2014/15	2015/16	On-going revenue impact
		£000	£000	£000	£000
Fleet Replacement Programme	SIB	2,077	2,150	2,100	TBC
Unplanned insurance write off provision	SIB	75	75	75	TBC
		2,152	2,225	2,175	0

Other Equipment					
Scheme	Approval Requirement	2013/14	2014/15	2015/16	On-going revenue impact
		£000	£000	£000	£000
Deputy Chief Constables					
Integrated Audit Software	SIB	50	0	0	TBC
Social Media and Marketing	SIB	23	4	0	152
Central Operations					
Replacement of Photographic Equipment	SIB	133	0	0	TBC
Freezers	SIB	20	0	0	TBC
Photographic Server Replacement	SIB	0	0	60	TBC
Server to store master photographic images	SIB	0	60	0	TBC
DCS upgrade for chemical laboratory	SIB	0	30	0	2
Replacement of HTCUC equipment	SIB	0	0	80	5
HTCU Fibre Optic cabling for server	Tech Board	15	0	0	TBC
KIM/Socrates Link	Tech Board	12	0	0	TBC
Upgrade to Fingerprint SP lift printer	Tech Board	6	0	6	TBC
Rapid DNA Profiling Equipment	Tech Board	0	20	0	2
SRU Equipment					
Thermo Identifinder 2	SIB	60	0	0	TBC
Inficon Hapsite ER	SIB	0	0	417	TBC
Future Model HazMat ID	SIB	0	0	160	TBC
Dregar BG\$ pure oxygen re-breather systems with telemetry	SIB	0	0	150	TBC
Bio agent DIM	SIB	0	0	100	TBC
National CBRN PPE Upgrade	SIB	0	0	350	TBC
Territorial Policing and Crime					
Command & Control replacement	BTPA	0	1,000	0	TBC
Crime System Renewal/Replacement	BTPA	0	0	1,000	TBC
		321	1,114	2,323	161