
Report to: Finance Committee
Agenda item: 3
Date: 18 March 2014
Subject: TfL Direct Funded Budget and Contribution for Centrally Organised Services
Sponsor: T/ACC Mark Newton – Director of Corporate Resources
For: Information

1. PURPOSE OF PAPER

1.1 This paper provides an update on the 2014/15 Inner London B Division budget funded by Transport for London (TfL) and includes an explanation of the changes from the 2013/14 budget.

2. BACKGROUND

2.1 TfL fund the part of B Division that polices the Underground by way of direct funding of actual costs within a budget agreed for the year. For 2014/15 the budget agreed subject to BTPA approval is £52.618m. This is a reduction of 0.2% compared to the approved budget of £52.698m in 2013/14.

2.2 The proposed budget for 2014/15 reflects the restructuring work that BTP has undertaken and allows TfL to fully contribute to its share of B Division's support structures such as the Divisional Intelligence Bureau. The apportionment of staff and their associated costs have been reviewed and accepted by TfL senior managers from Enforcement and On-street Operations and from Finance.

2.3 Appendix A shows how the 2014/15 budget is constructed, the main changes to the 2013/14 budget are as follows:

2.4 **Cessation of the DLR Emergency Response Unit** (Column B) - Early on in 2013/14, SERCO and BTP agreed to cease the DLR Emergency Response Unit. This service had been created to support the DLR during the Olympics and is no longer deemed required.

- 2.5 **Police Medic Response Unit** (Column C) - This very successful initiative developed best practice for dealing with people taken ill on trains. Working in close collaboration with colleagues from the London Ambulance Service, these procedures have now been adopted by the LAS and this has reduced the need for a specialist medic unit. However it will continue in reduced form and will enable the industry to have a fast response to network incidents.
- 2.6 **Restructure savings** (Column D) - The principle aim of the restructure was to refocus resources onto the front line however some TfL related savings have been built into the 2014/15 budget. Staffing reductions in Finance and Corporate Services and the reduction in the central recharge for planning have both been built into the budget.
- 2.7 **Intelligence Civilianisation** (Column E) – Some posts within the Intelligence team have been civilianised as part of the wider restructure work this has led to a movement of budget between the police pay and police staff pay lines.
- 2.8 **Inflation and other adjustments** (Column F) - This column reflects budget increases for pay awards and for non staff cost inflation. There have also been budget adjustments arising from the Winsor review and the impact of additional costs for working anti social hours continues as the BTP continues to focus on visibility at key times for the traveling public.

Budgeted Workforce Target

- 2.9 The Budgeted Workforce Target for Inner London B Division is set out in table 1 below, this shows the annualised Budget Workforce Target (BWT) for 2014/15 compared to the annualised actual workforce for 2013/14.

Table 1 – 2014/15 Budgeted Workforce Target

	2013/14 Annualised BWT FTEs	2014/15 Annualised BWT FTEs
Police Officers	677	657
PCSOs	112	101
Police Staff	230	244
Total	1,019	1,002

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 Police Authority's own costs. This reflects the benefit Inner London B Division receive from these services but takes into account the fact that some services are provided to other areas by LU Ltd either via the Inner London B Division budget or through facilities provided directly by LU Ltd. The amount agreed for 2014/15 is £9.759m, an increase of 1.8% over 2013/14. In agreeing the budget for 2014/15 BTP has committed to work with the TfL Finance Team to review the charging methodology to develop options to reduce costs from 2015/16 onwards if possible.
- 3.2 A separate PSA charge is made to Docklands Light Railway this will increase in line with the overall increase in the 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, budget monitoring reports will be provided to the BTPA Finance Committee throughout 2014/15.

Appendix A – 2014/15 Budget build for TfL Direct Funded element of B Division

	2013/14 Budget Column A £000	Emergency Response Unit Column B £000	Police Medics Column C £000	Restructure Savings Column D £000	Civilianise Intelligence Column E £000	Other changes & inflation Column F £000	2014/15 Budget Column G £000
Expenditure							
Staff costs							
Police Officer Pay	36,434	-380	-598	0	-493	698	35,661
Police Officer Overtime	1,447	0	0	0	0	0	1,447
PCSO Pay	2,949	0	0	0	0	80	3,029
PCSO Overtime	50	0	0	0	0	0	50
Police Staff Pay	8,370	0	0	-200	443	208	8,821
Police Staff Overtime	26	0	0	0	0	0	26
Total Staff costs	48,552	-380	-598	-200	0	1,660	49,034
Premises	1,969	0	0	0	0	397	2,366
Comms and Computers	716	0	0	0	0	89	805
Travel and Hotels	35	0	0	0	0	-9	26
Vehicle Costs	1,088	0	0	0	0	-385	703
Supplies and Services	2,450	0	0	-250	0	-60	2,140
Total non-staff costs	6,982	-380	-598	-450	0	-692	6,040
Total expenditure	55,534	-380	-598	-450	0	968	55,074
Income							
Enhanced PSA	-1,201	380	0	0	0	0	-821
Other income	-1,635	0	0	0	0	0	-1,635
Total income	-2,836	380	0	0	0	0	-2,456
Total Net Expenditure	52,698	0	-598	-450	0	968	52,618