

**Report to:** Finance Committee  
**Agenda item:** 5  
**Date:** 3 June 2014  
**Subject:** BTPA 2014/15 Year End results  
**Sponsor:** Authority Finance Director  
**For:** Discussion and Noting

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## 1. Purpose of paper

1.1 This paper details the financial performance for the Authority for the 2013/14 financial year. The paper also provides information on the Core PSA debtors at 31 March 2014.

## 2. BTPA financial performance for 2013/14

2.1 The budgeted expenditure for BTPA for 2013/14 was £1,870k, the actual expenditure incurred was £1,876k, an overspend of £6k. The detailed analysis of the overspend is detailed in appendix A.

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

		<b>£'000</b>
<b>Budget 2013/14</b>		<b>1,870.0</b>
Overspend on staff salaries (including temporary staff)	21.4	
Underspend on member salaries	(21.6)	
<b>Net underspend on staff costs</b>		<b>(0.2)</b>
Overspend on consultancy and pensions	115.2	
Overspend on communications	6.2	
Overspend on subscriptions and publicity	6.2	
Underspend on legal fees	(35.9)	
Underspend on premises and office costs	(13.9)	
Underspend on recruitment and training	(4.7)	
Underspend on external audit	(4.0)	
Underspend on travel and hotel costs	(3.6)	
Underspend on other costs	(59.4)	
<b>Net overspend on non-staff costs</b>		<b>6.1</b>
<b>Actual 2013/14</b>		<b>1,875.9</b>

- 2.3 There was an overspend on temporary staff of £46k due to the employment of the Interim Finance Director and matrix charging model accountant. The overspend on temporary staff was offset by an underspend on staff salaries of £25k due to delays in recruiting budgeted permanent staff members.
- 2.4 There was an underspend on members salaries as there was budget for having 15 members employed for the full financial year.
- 2.5 There was a significant overspend on consultancy costs. The total consultancy costs for the year were £305k. The breakdown of the £305k was as follows:
- Punter Southall Limited £221,233 - Pensions advice for the new pension strategy and attendance at pensions meetings
  - Odgers Interim £24,888 - Stakeholder engagement
  - Linklaters £10,200 - Pensions advice
  - Fairbanks Consulting £6,562 - Stakeholder engagement
  - Meadowcroft Advisory Services £6,255 - Triennial review
  - Carpathia Business Services Limited £3,752 - Review of charging model
  - Harendra De Silva £3,675 - QC costs for tribunal
  - Steer Davies and Gleave Ltd £3,060 - Financial model
  - Roffe Swayne £2,520 - Tax advice
  - Other - £23,083
- 2.6 There were also overspends on communications (£6.2k) and subscriptions and publicity (£6.2k).
- 2.7 There were underspends in all other areas of the Authority. These underspends have been used to fund the additional consultancy costs.

### **3. Core PSA Debtors position at 31 March 2014**

- 3.1 Appendix B summarises the core PSA debtors at 31 March 2014.
- 3.2 At year end the total outstanding debtors amount to £1,160k. The breakdown of year end debtors was as follows:
- Current - £816k (70%)
  - Up to 30 days overdue - £162k (14%)

- Between 31 and 60 days overdue - £14k (1%)
  - Over 60 days overdue - £167k (14%)
- 3.3 Of the £343k that was overdue at 31 March 2014 only £116k had been paid at 27 May 2014. The BTPA finance department is in the process of contacting each debtor to ensure that payment is received as promptly as possible.

## **4. Recommendations**

- 4.1 It is recommended that the Committee note the BTPA financial performance for 2013/14 and the core debtor position at 31 March 2014.