

**Report to:** Police Authority  
**Date:** 25 March 2014  
**Agenda Item:** 8  
**Subject:** Finance Committee - update  
**Sponsor:** Chair Finance Committee  
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**For:** Information

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## 1. Purpose of paper

To report to the British Transport Police Authority (“the Authority”) on the Finance Committee meeting held on 18 March 2014.

## 2. Background

The main purpose of the March Committee meeting is to review the budgets for the forthcoming year 2014/15 and to review the provisional PSA charges for 2014/15.

## 3. Standing items

3.1 There were no standing items presented at the meeting.

## 4. Other reports received

4.1 **Provisional PSA charges for 2014/15** – The paper setting out the proposed provisional PSA charges was presented and discussed by the Finance Committee. Variations between the 2013/14 charges and the 2014/15 charges were reviewed. Further investigation was requested on some of the charges to ensure the variations were fully understood. The paper will be discussed further as Agenda Item 12.

4.2 **BTP 2014/15 LU Subdivision Budget and Contribution to Centrally Organised Services (refer to Appendix A)** - The paper was presented to the Committee setting out the core policing budget and contribution to the cost of Centrally Organised Services (COS) such as Operations, Crime and Intelligence for the TfL/LU funded subdivision. The core policing budget for 2014/15 is £52.618m, which is a 0.2% decrease compared to the 2013/14 budget. The contribution to COS has increased by 1.82% to £9.759m, in agreeing this contribution

BTP has committed to work with the TfL/LU finance team to review options to reduce this contribution from 2015/16 onwards if possible. ***The Committee recommends that the BTP 2014/15 TfL/LU funded subdivision Budget and COS contribution be approved by the Authority.***

- 4.3 **BTP 2014/15 Overground Revenue Budget (refer to Appendix B)** - The paper was presented to the Committee setting out the BTP Overground budget of £205.259m and the BTPA budget of £1.919m, giving a total budget requirement of £207.178m (an increase of 1.6% compared to 2013/14). ***The Committee recommends that the BTP 2014/15 Overground Revenue Budget be approved by the Authority.***
- 4.4 The Committee discussed whether the Authority should use £1.1m of provision to reduce the overall amounts charged to the PSAs. This would result in a 1.8% increase in the total amount charged, compared to a 2.4% increase if no provision was released. The Acting Chief Constable has given a direction to maximise the year end underspend by taking action to reduce cost as much as possible in order to establish a reserve to contribute to the costs of the accelerated Technology Strategy. A target underspend of £900k has been set.
- 4.5 The Authority has £2.0m of DEL provision that can be used so if £1.1m were used to reduce the amounts charged to the PSAs then the remaining £0.9m could be used as cover for the technology strategy reserve which would assist in funding the accelerated technology programme. ***The Committee recommends that £1.1m of provision is used to reduce the increase in the charges to the PSA holders from 2.4% to 1.8%.***
- 4.6 **BTP Fund Gross Budget (refer to Appendix C)** - The paper was presented to the Committee setting out the overall gross budget for 2014/15 of £289.658m. It was noted that the EPSA income would change for any new EPSA agreements entered in to or existing EPSA agreements that were amended or terminated. The Committee requested that they are kept informed of new EPSAs or amendments to existing EPSAs.
- 4.7 **BTP Budget 2014/15 Capital Programme (refer to Appendix D)** - The Finance Committee approved the Capital Programme on 16 January 2014, but it has since been reviewed and revised to take into account the accelerated technology programme. The accelerated technology programme will be funded by reductions in other areas of the capital programme. The key

changes from the programme approved on 16 January 2014 were: £1.5m acceleration to the technology programme, £1m reduction in the estates programme, £0.4m reduction in corporate resources project and an increase in contingency of £0.5m by utilising increased DEL approval from DfT. ***The Committee recommends the Authority approve the amended Capital Programme for 2014/15.***

- 4.8 **Contingency Reserve** – The paper was presented which provided a range of monetary values attached to the strategic risk registers of both the BTPA and the BTP. This work showed a monetary risk value range of £2.2m to £6.6m. The current level of reserve is £3.5m. A number of the risks included on the registered were closed at the last Audit & Risk Assurance Committee which will reduce the monetary risk value range. This will be reflected in the submission made to the May 2014 Finance Committee.

## 5. Issues for future Committees

In addition to the standing items the Finance Committee will be discussing the following items at the next meeting in May:

- Lessons learnt from the provisional 2014/15 PSA charge process
- Timetable and plan for the calculation and reconciliation of the 2013/14 actual charges and 2014/15 actual charges.
- CCTV – post implementation review
- Estates Strategy

## 6. Recommendations

Members are asked to approve the below recommendations.

- The Committee recommends that the BTP 2014/15 TfL/LU funded subdivision Budget and COS contribution be approved by the Authority.
- The Committee recommends that the BTP 2014/15 Overground Revenue Budget be approved by the Authority.
- The Committee recommends that £1.1m of provision is used to reduce the increase in the charges to the PSA holders from 2.4% to 1.8%.
- The Committee recommends the Authority approve the amended Capital Programme for 2014/15.