

Report to: Authority Meeting
Agenda item: 5.3
Date: 12 December 2013
Subject: BTPA Budget Proposals 2014/15
Sponsor: Chief Executive
For: Review and Recommendation to the Authority

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1. Purpose of paper

1.1 This paper details the proposed budget for the Police Authority for 2014/15. A proposed overall increase of 2.4% in PSA charges was discussed at the Authority in November; therefore this paper presents a detailed budget of £1,919k, representing a 2.4% increase on 2013/14 budget.

2. Proposed Detailed Budget for 2013/14

2.1 The budget proposals have been developed using both the forecast and the budget for 2013/14. The objective is to have a 2.4% overall increase in core PSA charges.

2.2 Increments for those staff on the EPS scheme have been incorporated in the plans.

2.3 The detail of the budget proposal is below:

BUDGET CODES	BUDGET 12/13	BUDGET 13/14	PROPOSED 14/15
	£000	£000	£000
Staff Salaries	649.4	685.1	718.1
Temporary Staff	55.4	10.6	10.6
Members Salaries	271.7	266.4	270.7
TOTAL STAFF COSTS	975.4	962.1	999.4
Travel and Hotel (inc. expenses)	44.3	45.0	45.0
Property Costs	135.4	132.3	132.3
Communications (inc equip purchases)	30.4	27.5	27.5
Subscriptions & Publicity	50.0	50.0	50.0

Appeals	17.5	12.0	12.0
Independent Custody visits	32.5	20.0	20.0
Consultancy	85.0	110.0	110.0
Legal Fees	188.8	171.3	176.1
External Audit Fees	100.0	125.0	116.0
HMIC Inspections	72.0	72.0	72.0
Internal Audit Fees	96.0	99.8	99.8
Recruitment & Training (inc conference fees)	42.8	43.0	43.0
Total Non Staff	894.6	907.9	924.4
Total	1,870.0	1870.0	1,919.0

- 2.4 The staff cost budget reflects both the increase in permanent establishment by one member of staff (Senior Policy Officer) and that all posts are filled as from the 1 April'14. The budget assumes, prudently that all members of staff are members of the pension scheme.
- 2.5 The member staff costs represent 15 members in post for the whole year, with all members charging a fee. In line with an internal audit recommendation, the members' and staff expenses budget has been built up by individual based on the current run rate.
- 2.6 Consultancy costs have been budgeted at £110k; this is made up of £60k for continued pensions advice; £15k on DODs for political and legislative monitoring, an additional £15k for stakeholder consultation and £20k for sundry advice.
- 2.7 Legal cost budget has been slightly increased to £176k. This will be used to cover any advice on employment related matters and any other adhoc advice required in the year. However there is a significant risk to this budget being over spent if there is a challenge through arbitration or judicial review on the PSA or the charging model.
- 2.8 It is expected that a proportion of the budget for legal costs will be used to fund the required legal advice to support the work on pensions that the Authority will require during the year. It is estimated that this may cost up to £150k, and is a recognised budget pressure that the Authority will need to manage during the year.

- 2.9 It has been assumed that external audit fees for 2014/15 will be £116k which is a reduction in the 2013/14 budget of £120k. The reduced fee reflects the NAO's intention to test and rely on controls
- 2.10 The budget for Internal Audit has been based on the 2013/14 DfT daily rate of £400 plus VAT for 200 days worth of work. The audit plan for 2014/15 is yet to be finalised, so any increases in these costs will be managed within the current available funding.

3. Risks

- 3.1 The Authority's budget will be subject to the pressures mentioned above during the year. As well as the pension advice costs, the Authority will need to manage the potential increase in temporary staff costs of approximately £65k for the Charging Model manager post. This will enable a full hand-over to the permanent member of staff that is currently being recruited, along with providing the required support to carry out the model reconciliation as set out in the 2013 core PSA.

4. Recommendations

- 4.1 It is recommended that the Authority review and approve the detailed Authority budget for 2014/15.