

**Report to:** Authority  
**Agenda item:** 5  
**Date:** 28 March 2017  
**Subject:** Report from the Chair of the Finance Committee  
**Sponsor:** Authority Finance Director  
**For:** Discussion and approval

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## 1. Purpose of paper

1.1 The purpose of this paper is to:

- update the British Transport Police Authority (“the Authority”) on the issues discussed at the Finance Committee held on the 1 March 2017;
- seek the Committee recommends the approval of the Medium Term Financial Plan.
- Seek approval for the movement of £4.5m of income from Core London Underground to TfL funded PSA for activity undertaken centrally.
- seek approval of £0.3m additional funding for ISP to the Authority.
- consider and approve the proposal to write-off historic debt of £201,770.

## 2. Medium Term Financial Plan

2.1 The BTP presented a high level Medium Term Financial Plan covering the 4 year period from 2017-18 to 2020-21 for Finance Committee consideration. The Committee noted the high level of investment for projects such as National Network Services and the Emergency Services Network, which would consume future available funding.

2.2 The Committee agreed that a combination of funding options would need to be considered to bridge the gap in capital funding and ensure a balanced revenue position was achieved across the life of the MTFP. The Committee supported discussion with the DfT around the possible funding solutions presented in the paper.

- 2.3 The MTFP will be reviewed every quarter and presented to the Finance Committee to update for financial risks as the details of the figures become known.
- 2.4 The Committee recommended the approval of the Medium Term Financial Plan by the Authority.

### **3. TfL budget – core and EPSA funding**

- 3.1 The BTP presented a paper on the funding negotiations between BTP and TfL. The Finance Committee approved the TfL budgetary envelope of £74.7m for 2017/18, noting that there is a gap of £2m that needs to be addressed and agreed with TfL and the Mayor's Office.
- 3.2 The Finance Committee approved the movement of £4.5m of income collection from Core LU income to TfL funded PSA income for activities undertaken centrally.
- 3.3 It was noted that a decision had been made to move the accounting from the TfL financial system (SAP) to the BTP financial system (E-Fins).

### **4. Portfolio Plan 2017/18 – 2020/21**

- 4.1 The BTP presented a paper on the proposed portfolio programme. The portfolio plan was over-programmed in 2017/18. The BTP agreed to revisit their plan and review the delivery of projects to ensure that they remained within the budget envelope.
- 4.2 The proposed 2017/18 budget is currently £14.3m. The BTP will review a number of options to bring the budget into line with available funding. A revised plan will be developed in July 2017.

### **5. BTP Forecast outturn for Capital and Revenue 2016/17**

- 5.1 The Finance Committee noted that the BTP are forecasting a £1.1m underspend against the net budget and a deficit of £2.9m against overall Income & Expenditure.
- 5.2 The projected outturn on portfolio projects was a £0.2m underspend. This was dependent on the delivery of a number of projects in period 11 and 12.

### **6. Efficiency Plan Update**

- 6.1 The Committee received a paper from the BTP on the progress of the Efficiency and Benefits programme.
- 6.2 Key activities included commencing the Target Operating Model (TOM) project in April 2017. The outcome of the TOM will be have a significant impact on the timing, delivery and

shape of the efficiency programme. The efficiency programme will be reviewed in light of the findings and recommendations of the TOM project.

6.3 The Committee noted the report.

## **7. ISP approval for additional costs**

7.1 The BTP presented a paper seeking approval from the Finance Committee for additional funding for ISP of £0.3m to cover additional costs arising from performance and security issues in the product delivered by Capita.

7.2 The element of the Programme called 'ControlWorks' was delivered for testing in June 2016. During testing, performance issues came to light and subsequently security issues were also identified. It was established that it would take through to May 2017 to resolve these issues. Additional costs of up to £0.3m were anticipated which include an element for capital and revenue contingencies.

7.3 The Committee recommend the approval of £0.3m additional funding for ISP to the Authority.

## **8. Debt write-off**

8.1 The Authority are requested to consider the proposal to write-off historic debt. The details of the debtors are included in Appendix 1.

8.2 The debt has been actively pursuing historic debts during 2016/17. This has resulted in the successful collection of over £90k for debts over 2 years old. However there is £201,770 of debtors that have been assessed to be uncollectable. Therefore Authority is asked to consider the write-off and approval of this debt.

## **9. Recommendations**

9.1 The Committee recommends the approval of the Medium Term Financial Plan.

9.2 The Committee recommends the movement of £4.5m of income from Core London Underground to TfL funded PSA for activity undertaken centrally.

9.3 The Authority note the proposal to develop the portfolio programme by July 2017.

9.4 The Committee recommends the approval of £0.3m additional funding for ISP to the Authority.

9.5 The Authority is requested to consider and approve the proposal to write-off historic debt of £201,770.

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## Appendix 1: Debt write-off proposal

BRITISH TRANSPORT POLICE		
Bad Debt Write-Off		
Aged Debtors Position	90+ Days £	Grand Total £
Collectivity Limited	7,882.00	7,882.00
Foreign And Commonwealth Office	28,378.91	28,378.91
Glasgow Community & Safety Services	2,000.00	2,000.00
Lcjb Secretariat	15,952.98	15,952.98
London Underground Ltd	112,216.54	112,216.54
Metropolitan Police Service	11,142.68	11,142.68
Npia - Accounts Payable	4,495.00	4,495.00
Sean Michael Derbyshire	60.00	60.00
Silverlink Train Services	0.06	0.06
South West Trains	9.60	9.60
The Welsh Assembly Government	8,023.53	8,023.53
Metropolitan Police Intelligence Bureau	11,608.98	11,608.98
<b>TOTAL WRITE-OFFS</b>		<b>201,770.28</b>