



2016-17 Outturn vs Budget

For the purposes of the calculating the
wash up charges in the charging model

16/17 Funding Shortfall £0.6m explained

	Total	TfL Share	TOC Share	
BTP Net Outturn (exc CT Growth)	224.1	447.5	(223.4)	over-spend on the BTP's Overground 16/17 net delegated Budget (excluding CT Growth)
BTPA Outturn	169.0	0.0	169.0	over-spend on BTPA's Budget
Projects Funding	262.2	29.8	232.4	profiled revenue expenditure 16-17 spend of BTP's Program over 6.5 years
Shortfall on Funding	570.2	64.7	505.5	(1)
Total overspend	1,225.4	541.9	683.5	
CT Underspend	(554.4)		(554.4)	u/s on Counter Terrorism Growth
Sub-Total overspend	671.0	541.9	129.1	

(1) Explanation:

16/17 funding shortfall £0.6m – This is the difference between:

Approved net BTP Overground Budget £209.9m & BTPA Budget £2.0m = £211.95m

against

PSA Income funding £210.3m and Drawdown from Reserves £1.1m = £211.35m

The Difference arises because only £1.4m of the BTPA's budget was included in the 16-17 provisional charges (£1.4m being the BTPA's budget prorated for the Overground share of the total 16/17 budget)

Recommendations on ways forward -

Following further investigation we have made several recommendations -

- We recommend to utilise reserves to reduce the funding gap by c.£600k, which is equivalent to the CT underspend.

Regarding the remaining funding gap of c.£670k, there are three options -

1. Charge the full amount to the over ground TOCs.
2. Charge TFL for their funding gap amount of c.£540k and over ground TOCs for c.£130k (as per the table on slide 2).
3. Do nothing and deduct the full amount from reserve

Our recommendation will be to sign off on option 2.,

- Deduct the TFL charges from 2017/18 refunds (currently calculated at the amount of £1.1m).
- Charge the c£.130k to the over ground TOCs as part of the wash up charges.

Mitigation plan to prevent recurring of these issues:

- Budget numbers will be fixed in the BTP financial system and agree to the Authority board sign – off.
- As of 18/19 BTPA will be included in the BY financial system as a cost centre
- All BTP reporting will be presented for o/ground and TFL - effective immediately
- Budget will be presented as a fully joint entity - revenue to cash. effective immediately
- BTPA budget will include a portion of both o/ground and TFL. Effective immediately
- During next week BTP will review the combined budget vs forecast for this year to ensure we haven't missed anything