



British Transport Police Fund

Annual Report and Accounts

for the year ending
31 March 2019

British Transport Police Fund

Statement of Accounts

for the year ending 31 March 2019

Presented to Parliament pursuant to Schedule 4 of the Railways
and Transport Safety Act 2003

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Performance Report

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Performance Overview

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Performance Overview

Chair's Statement

The following report and accounts outlines the work and achievements of the British Transport Police (BTP or 'the Force') over the last year in meeting the objectives set by the British Transport Police Authority (BTPA or 'the Authority').

The financial year covered by this report was the first to be guided by the 2018-21 Strategic Plan. It was developed in order to replace the previous strategy which was driven by numerical targets. After consultation with stakeholders, it was decided that the new strategy would move away from numerical targets and instead focus on outcomes tracked against a wide range of measures, in order to provide a more comprehensive overview of performance.

The strategy, launched in July 2018, was informed at every stage of its development by colleagues and stakeholders within industry. The content of the strategy was underpinned by the work we do with industry to deliver services that address customer and staff priorities. The BTPA felt it was important to identify these demands and deploy resources effectively and efficiently, as we are fully committed to providing a value for money service.

The strategy focuses on four strategic priorities: Protecting People, Reducing Delays and Disruption, Providing Value for Money and Building a Skilled and Specialist Workforce. We promised to deliver these within the Medium Term Financial Plan (MTFP) and our financial

plans were based on a number of assumptions, including the generation of £30 million of efficiency savings by 2021/22.

In January 2019, the Cabinet Secretary for Justice in the Scottish Government, Mr Humza Yousaf, announced plans to improve the accountability and transparency of railway policing in Scotland, which would involve working with stakeholders to create a new BTPA sub-committee (under current legislation) to oversee railway policing in Scotland. The BTPA has already undertaken significant work to establish this committee, and we are committed to ensuring BTP officers in Scotland are supported and kept up to date with developments. Critically, for the foreseeable future, BTP officers in Scotland will remain part of the BTP, rather than being devolved to Police Scotland, and the BTPA welcomes that outcome.

BTP's performance in 2018/19 has shown a determined response to the ever-changing nature of the railway and the challenges it poses.

Britain's railways have traditionally been a target for terrorist attacks. The Force continues to review and improve its efforts to prevent and respond to these threats while recognising that an effective public transport system must remain open and accessible to passengers. BTP officers and staff have continued to demonstrate their outstanding bravery and commitment in facing these difficult challenges.

Disappointingly, assaults on our officers and PCSOs have increased by 22%¹ and, in response, BTP has developed an Officer Assault Pledge, which promises support to officers and gives them access to the services they need in the unlikely event that they are the victims of assault.

Even though this report shows a marginal increase in police-related disruption on the railway, the rate of crimes per million passenger journeys has remained low (20.8 crimes per million passenger journeys, for the nine month period to 31 December 2018; 2017/18: 19 crimes per million)². Transport Focus's most recent National Rail Passenger Survey (published in January 2019)³ showed that 74% of rail users were satisfied with their security whilst on board a train, with 73% satisfied whilst using a railway station (2017/18: 75% and 74% respectively). Safeguarding vulnerable people on the railway continues to be one of BTP's top priorities, with 2,300 missing people

found by BTP in 2018/19 and 2,391 lifesaving interventions made by BTP officers and rail staff.

I should like to take this opportunity to thank our officers and staff for another successful year. Protecting and policing the railway continues to be a challenge, particularly in an environment of increasing threat with ever more constraints on resources, but it is the people of BTP who really make a difference and the BTPA is rightly proud of the hard work and sterling efforts of BTP officers and staff across Great Britain.



Ron Barclay-Smith
Chair



¹ There were 805 instances of violence against BTP officers and PCSOs in 2019 (2017: 659). This increase is in part due to increased reporting - please see the 'Operational Analysis' section

² Based on TfL and projected ORR passenger journey figures

³ Autumn 2018 survey: <https://www.transportfocus.org.uk/research-publications/publications/national-rail-passenger-survey-nrps-autumn-2018-main-report/>

About Us

A Strategic Overview

Who we are

The British Transport Police Authority is an executive non-departmental public body of the Department for Transport (DfT) established on 1 July 2004 under the Railways and Transport Safety Act 2003.

What we do

We are an independent body responsible for overseeing the work of the British Transport Police (BTP) — the national dedicated police force for the railways. There were between twelve and fourteen members of the Police Authority throughout the period who provide knowledge and experience of issues that concern passengers, the railway industry and railway employees. The members currently meet four times a year to set British Transport Police strategy, approve medium-term financial plans and annual budgets, monitor its operations and allocate funds for its budget. Members also carry out supporting business in committees and working groups. The current structure includes:

- Audit and Risk Assurance Committee
- Appointments and Remuneration Committee
- Strategy and Planning Committee
- Performance and Delivery Committee

- Policing Plan Group
- Pensions Working Group

Our vision

Our vision is to collaborate with service operators and businesses in an expanding rail industry to provide a safe, secure and reliable transport system for passengers and those who work on the railways.

Our mission

Our mission is to keep the railways safe and protect people from crime, ensuring that levels of disruption and the fear of crime are as low as possible.

Our ambition and objectives

Protecting People

Protecting the network and passengers from the threat of terrorism, anti-social behaviour and crimes that cause the most harm.

Reducing Delays and Disruption

Reducing the impact of trespass on the network, through prevention and working in partnership to identify lasting solutions, to return possession to the railway operators as soon as it is practically safe to do so.

Providing Value for Money

Putting our people in the places where they are needed most,

investing in technology, identifying additional sources of funding and providing regular, consistent and relevant reports to stakeholders.

Building a Skilled and Specialist Workforce

Providing the equipment and tools our officers and staff need to do their job safely and effectively; attracting and retaining a diverse workforce by focusing on the recruitment, development and progression of under-represented groups and reducing the gender pay gap.



We act with integrity at all times, displaying our professional and ethical principles.

Our values

The values and behaviours required to execute our Strategic Plan and achieve the organisational changes necessary to deliver our ambitions and objectives are as follows:

Proud

We are proud to be the specialist police force responsible for policing the railways.

Compassionate

We care about people and put those who are vulnerable or victims at the heart of everything we do.

Commercially Aware

We demonstrate the value of our activities to the public and rail industry and understand the financial impact of our actions.

Professional

We act with integrity at all times, displaying our professional and ethical principles.

Safety Conscious

We operate safely in a highly-regulated and often dangerous environment, taking personal responsibility to ensure our training and knowledge are up to date.






Principal Risks And Uncertainties

To achieve our vision we must identify key risks and uncertainties that exist, and put into place a plan to mitigate or manage those risks. The identification, evaluation, management and monitoring of the most significant risks is the responsibility of the BTPA, working in close collaboration with the BTP.

The principal risks and uncertainties facing the BTPA are reviewed on a regular basis, and a snapshot of those current at the end of 2018/19 financial year are as follows:

Risk	Mitigation tactics	Trend
Failure to provide the capacity and capability to prepare for, and manage, a major incident or terrorist attack		
<p>Potentially arising from:</p> <ul style="list-style-type: none"> • The changing profile of threat from terrorist and criminal actions • Mismatch between strategic demands and available resources (people and money) • Inadequate coordination with other security and emergency services • Loss of deployable staff with specialist skills 	<ul style="list-style-type: none"> • Increase in counter-terrorism (CT) resourcing and activity (Birmingham and Manchester CT hubs went live during the year) • Exercising and testing of initial operating capability and full major incident / CT capability • Integration with the wider CT community • Development of potential opportunities to exploit data and innovative technologies to improve proactive and preventative measures across the rail network 	< >
Failure to manage internal and external change		
<p>Potentially arising from:</p> <ul style="list-style-type: none"> • Failure to respond effectively to changes in external political, financial, social, regulatory or rail operating environment • Failure to manage major projects and programmes effectively and efficiently • Failure to provide appropriate resources and capabilities to meet changing demands • Failure to transform frontline and back office operations 	<ul style="list-style-type: none"> • Development and implementation of efficiency plans and change processes, including identifying collaboration opportunities • Maintain strong focus on benefits realisation through portfolio, programme and project management arrangements • Active engagement with external initiatives • Rigorous impact assessments, and early communication of potential impacts to DfT, wider Government and other stakeholders • Horizon scanning to identify potential threats, opportunities and their implications 	^

Risk	Mitigation tactics	Trend
Loss of confidence in BTP / BTPA by rail industry, government, the public and media		< >
Potentially arising from: <ul style="list-style-type: none"> • Legal or regulatory failure • Operational failure • Failure to meet stakeholder expectations • Failure to manage major incidents effectively • Adverse publicity • Arrangements for charging the industry • Failure to meet strategic objectives • The devolution of BTP activities in Scotland • Infrastructure policing changes • Impact of other strategic risks 	<ul style="list-style-type: none"> • Active stakeholder engagement and consultation on plans, priorities, targets and, where appropriate, charging arrangements • Continue to conduct and act on passenger and stakeholder surveys • Early and regular communication to the industry of charges • Develop media handling plans for potential areas of adverse publicity • Proactive participation in the joint Scotland project board • The development of a policing model to ensure the successful continuation of policing arrangements after devolution 	
Failure to protect the health and well-being of our staff, operational partners and the general public for whom we have a duty of care		< >
Potentially arising from: <ul style="list-style-type: none"> • BTP failure of its duty of care responsibilities resulting in death or serious injury • Death in custody / within BTP premises or outside, following BTP contact • Weaknesses in health and safety arrangements and overarching governance • Reactive safety and wellbeing function • Insufficient Occupational Health (OH) provision owing to national shortage of OH advisers 	<ul style="list-style-type: none"> • Review of health and safety policy and practice • Strengthened governance to ensure compliance with internal policy • A responsive system of Trauma and Risk Management support to staff at risk • Strengthened Occupational Health provision, through use of agency staff where necessary • Delivery of annual plan and audit programme for health and safety • Proactive focus on safety and wellbeing of employees 	
Failure to follow relevant laws, regulations, business rules and ethical codes		✓
Potentially arising from: <ul style="list-style-type: none"> • Failure to follow relevant laws, regulations, business rules and ethical codes • Changes in government policy, regulatory environment or public expectations • Internal or external audit identifies significant failures of internal control • Inadequate information management strategy and supporting records management policies and processes • Non-compliance with current internal policies and processes 	<ul style="list-style-type: none"> • Updated approach to information management including a review of the strategy, policies and procedures and their application • Training for staff handling information and maintaining records • Recovery plan to ensure physical and electronic records are being properly managed and stored including investment in enabling technologies • Strengthened governance via the Information Management Board 	

Risk	Mitigation tactics	Trend
Failure to effectively manage and protect our data, critical assets and infrastructure		
<p>Potentially arising from:</p> <ul style="list-style-type: none"> • Significant cyber-attacks on Force systems • The loss or inappropriate disclosure of sensitive data • Major ICT or telecommunications systems failure. • Fire or flood affecting BTP / BTPA buildings or assets • Data being incomplete or incorrect with gaps in the recording of information (such as flags not ticked, relationships not selected) • Lack of investment in a full disaster recovery suite for critical IT systems 	<ul style="list-style-type: none"> • Strengthened systems architecture to protect against unauthorised access • Updated governance and processes to ensure internal controls are adhered to • Data quality working group providing oversight on data quality • Delivery of upgrade and renewal programme • Full suite of business continuity plans to be activated in the event of system loss • Oversight by Business Continuity and Disaster Recovery Board reporting by exception to the Audit, Risk, Inspection & Compliance (ARIC) Board 	
Failure to manage the threats to the long-term sustainability of the BTP Fund		
<p>Potentially arising from:</p> <ul style="list-style-type: none"> • Unexpected additional operational costs that cannot be recovered • An unfunded increase in pension scheme liability or other unforeseen changes e.g. required change of provider • Additional sources of income (e.g. Enhanced Police Service Agreements (EPSA)) are not renewed 	<ul style="list-style-type: none"> • Quarterly forecasting to anticipate changes in finances • Spend controls to ensure only approved, necessary costs are undertaken • Review of EPSA agreements to ensure fulfilment of contractual terms • Oversight by the Pensions Working Group to manage required changes • Oversight at the BTPA Performance & Delivery Committee • Updated governance and processes to ensure internal controls are adhered to 	 

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Our strategy
builds on the
strong foundations
already in place



Performance Summary

Operational Analysis

This section sets out the activities, achievements and challenges of the BTP in 2018/19, as defined by our strategic and annual operational objectives. In reviewing the in-year performance it is also important to reflect on the significant ongoing programme of business change across BTP in relation to stakeholder management, operating structures, resource deployment and ways of working. These changes are being implemented as part of the first year of the Strategic Plan for 2018-2021 and seek to drive improvements in efficiency and effectiveness, increasing the ability of our front line to meet the changing demand for policing on the railways in future years.

Whilst there have been operational challenges during 2018/19, the risk of being a victim of crime on the railways remains low and much work continues to be done in partnership with the rail industry on issues that cause railway disruption and to safeguard vulnerable people.

Strategy

The BTPA's strategy for 2018-2021 is underpinned by the work we do with our partners to deliver services that address the priorities of the industry, passengers, rail staff and all those that use the railway and its infrastructure.

Our strategic priorities for the next three years are based on an assessment of the environment that we and our stakeholders believe BTP will be operating in over the coming years. They have taken into account a range of factors, including expected growth in passenger journeys and developments to the railways, allowing additional capacity and the redevelopment of stations into leisure and transport hubs, the continued threat of terrorism, confidence amongst passengers and staff, and a focus on efficiency, all of which will be embedded throughout the life of the strategy.

Our strategy builds on the strong foundations already in place, with an emphasis on reducing crime, minimising disruption, increasing confidence, and using our resources to deliver value for money. However, it also goes wider and responds to the sustained threat from terrorism, focusses on safeguarding the vulnerable and sets out our commitment to effective partnership working. Despite the increased demands on policing, resources are limited, so the BTP2021 change portfolio has been developed to enable us to deliver our strategy and develop more efficient and effective ways of working.

Our 2018-21 Strategy sets out four priority areas for the next three years:

- 1. Protecting People**
- 2. Reducing Delays and Disruption**
- 3. Building A Skilled and Specialist Workforce**
- 4. Providing Value for Money**

1

Protecting People

It is vital that everyone who uses the railways for travel, leisure or a place to work feels safe and confident to do so.

Britain's railways have historically and consistently been targeted by terrorists. The last three years have been no exception with a total of six terror-related attacks on the railway. Two terrorism incidents have occurred in the financial year⁴. The national threat level remains at 'severe', meaning an attack is highly likely.

The Force has concentrated on implementing the Counter-Terrorism hubs in Birmingham and Manchester, which has proved complex. The Birmingham hub is now fully operational and the Manchester hub is also operational, working from an interim location.

Having carried out a capability assessment against the strategic threat and risk assessment, BTP has identified opportunities to better utilise technology and information to enhance preventative measures. These are subject to further development.

Recorded notifiable crime increased by 12% in 2018/19, compared to the previous year. The chance of becoming a victim on the railway, however, remains low. In the first three quarters of 2018/19, there were 20.8 crimes recorded per million passenger journeys (2017/18: 19.0). This increase should be seen in the context of BTP's crime reporting initiatives, such as the '61016' text messaging service. Following successful campaigns to encourage passengers to report concerns, there was an 83%

increase in the number of texts received to BTP's '61016' service this year (from 57,562 messages in 2017/18 to 105,498 in 2018/19). This resulted in 2,961 additional deployments in 2018/19. BTP continues to actively encourage reporting of crime and anti-social behaviour (ASB) along with making it easier for members of the public to contact them.



There have been 2,391 life-saving interventions in 2018/19.

In 2018/19, 80% of immediate incidents were responded to within 20 minutes and 95% of priority incidents within 60 minutes.⁵

Immediate incidents are those which require a resource to be allocated and dispatched within 90 seconds of receiving the call, and where there is an immediate threat to life or property and the suspect can be apprehended. Priority incidents are those which need a resource allocated and dispatched within 3 minutes and arrival at the scene within 60 minutes.

In order to manage frontline demand and make the most effective use of visible frontline policing resources, BTP is refreshing

its neighbourhood policing strategy, known as Neighbourhood Plus, and implementing a location-based approach. This is a key BTP2021 project which aims to better integrate frontline policing partnerships with the rail industry and other stakeholders focussing on critical places to improve safety and security and address issues through collaborative solutions. A pilot, which commenced in November 2018, has taken place at seven locations. This has involved joint mission statements, weekly meetings, and the delivery of problem-solving plans. The evaluation and lessons learned for future design is now underway and will inform future proposals.

In line with increased reporting trends, and consistent with the wider policing landscape, 'violence against the person' offences recorded by BTP increased by 16% in 2018/19⁶. The majority of these were 'violence without injury' offences, including verbal assaults and intimidating behaviour.

Operation Sentinel, which was launched in 2018/19, is BTP's national strategy to reduce violent and knife-enabled crime. It aims to reduce violence towards passengers, rail staff and BTP officers as well as tackling knife offences and knife-enabled crime. The overarching aim of Operation Sentinel is to reduce serious violent offences by at least 10%. This strategy has been extensively briefed to industry, who are engaged in joint delivery of many of the activities. Over the past year,

⁴ BTP officers responded to incidents at Manchester Victoria station on 31 December 2018 and London Waterloo station on 5 March 2019.

⁵ This includes incidents on the railway that are attended by BTP and other police forces and relates to April 2018 – February 2019. 22,054 immediate incidents were attended within 20 minutes, out of 27,650 in total. 29,539 priority incidents attended within 60 minutes, out of 31,043 in total

⁶ In 2018/19 there were 13,591 offences recorded (2017/18: 11,671). Of these, 9,292 were violence without injury (2017/18: 8,239).

the rate of increase in violent crime has slowed which may be an early indication of the programme's success. Violence against rail staff is also a key area of focus, with a range of partnership work being coordinated in 2019/20 through the Workplace Violence Reduction Strategy.

Safeguarding vulnerable people on the railway also continues to be critically important and BTP's

Safeguarding hub works to increase the safety of children, young people, vulnerable adults and railway staff by working with other police forces and agencies. Almost 2,300 missing children and young persons were found by BTP in 2018/19, and BTP continues to ensure the timely referral of children and young persons to ensure information is actively shared with Home Office agencies.

There have been 2,391 life-saving interventions in 2018/19 (2017/18: 1,904) made by BTP and others on the railway, and BTP has used Mental Health Powers 2,550 times (2017/18: 2,000). There were also 759 repeat occasions where suicidal behaviour was identified and includes both children and adults at risk who were referred to the safeguarding hub.

2

Reducing Delays and Disruption

Services that run safely and on time are critical to the success of our national rail infrastructure. Through our strategy, BTP will build on the excellent relationships we already have with our partners to find new ways to work together to reduce disruption to passenger and freight services.

There was a 1.7% increase in the number of police-related disruption incidents on the railway in 2018/19, compared to the previous year⁷, with an average of 72 minutes of delay per disruption incident (2017/18: 63 minutes). The primary causes for police-related disruption in 2018/19 were fatalities/ injuries and trespass incidents. The number of police-related lost minutes increased by 17%⁸. Of this rise, primary delay, which is the direct delay caused by the disruption incident, increased by 6%⁹; while the number of reactionary lost minutes, which is the knock-on delay from these incidents, increased by 24%¹⁰. Trespass was the largest cause of disruption, accounting for 44% of all police-related lost minutes

in 2018/19¹¹. This year saw a 19% increase in lost minutes caused by trespass compared to 2017/18.

BTP has undertaken a range of proactive initiatives and has identified hotspot locations with the aim of reducing trespass and wider disruption, including a focus on known hotspot locations, public safety campaigns to reduce trespass and school liaison visits. BTP's disruption strategy for 2019/20 will underpin a range of joint activity and contains a number of work streams, which concentrate on: Prediction, Prevention, Recovery, Public protection, Enforcement, Behavioural change, and Education.

There is successful collaborative working with the industry to minimise incidents of disruption and trespass, and the associated impact such incidents cause. Enhanced Police Service Agreements (EPSAs) with the industry have been developed for Embedded Officers, Emergency Intervention Units, Suicide Prevention & Mental Health functions and Disruption

Tasking Teams. Other examples of collaborative initiatives with the industry include the Trespass Improvement Programme, a cross-industry initiative to prevent and reduce trespass across the rail network; the 'You vs Train' campaign, which makes teenagers aware of the serious and sometimes devastating consequences of trespassing on the railway; and international level crossing awareness days.

BTP continues to act in a prompt, but professional and sensitive manner when responding to fatal incidents on the railway. BTP arrives promptly, in an average of 18 minutes (2017/18: 20 minutes), and in 2018/19 the average management time for 'non-suspicious' incidents was 84 minutes (2017/18: 90 minutes). Where there are four track stretches of railway, and it was possible to do a partial handback to the rail industry, there was an average partial reopening time of 44 minutes (2017/18: 65 minutes).

⁷ In 2018/19 there were 25,198 police-related disruption incidents (2017/18: 24,767)

⁸ Total lost minutes in the year 2018/19 were 1,821,092 (2017/18: 1,554,460)

⁹ Primary delay increased to 641,735 minutes in 2018/19 from 602,880 minutes in 2017/18

¹⁰ Reactionary minutes increased to 1,179,357 in 2018/19 from 951,580 in 2017/18

¹¹ Trespass minutes were 801,595 minutes in 2018/19 and 674,301 in 2017/18

3

Providing Value for Money

The Strategic Plan has committed to an efficiency programme, which will deliver £30million of savings during 2018-2022. BTP has established the BTP2021 transformation portfolio as the delivery vehicle for its efficiency programme. In 2018/19, BTP has delivered cashable efficiencies of £4.2million¹², against a savings target of £4.1million.

In 2019-20 BTP will face a more challenging target of £9million in cashable efficiencies. A significant proportion of this will be delivered by the part-year effect of the changes already underway, whilst the approach to BTP2021 will continue to strike a balance between efficiencies and transformative change.

The digital transformation programme is focused on delivering solutions to enable more flexible

ways of working and provide greater agility. One example is the investment in mobile working, where over 2,300 mobile devices are assigned to frontline officers. This provides access to core systems and applications whilst they are out on patrol, negating the need for them to return to the office to log on to systems. Investment in mobile technology has already been well received by officers who appreciate the benefits that these devices bring. To further build on this success, the roll out of additional applications for mobile devices has been prioritised to secure early benefits and engage the workforce in the wider change programme.

One of the measures in our strategy is BTP's workforce strength against the budgeted establishment. BTP,

at the end of 2018/19, had 3,063 police officers, which was 5% below BTP establishment of 3,236 officers, and 300 PCSOs, compared to an establishment of 306.

Police staff was 13% below establishment.¹³ The overall employee attrition rate for BTP was lower than last year, with turnover for all employee groups standing at 11.5% for 2018/19, compared to 14.6% in 2017/18. This is commendable in the context of the private sector seeking to attract officers, who have transferable skills, with competitive benefits.

The BTPA retains its commitment to improving efficiency and we have again committed to being in a position to limit overall charges by CPI by the start of our next Strategic Plan.



¹² These efficiency savings will be subject to validation by Internal Audit and may be subject to revision following the completion of this report. However, they represent the best figures available at the time of publication.

¹³ Excludes BTPA Executive employees and BTPA Members

4

Building A Skilled and Specialist Workforce

BTP values a diverse workforce. In 2018/19, 9% of BTP's officers were BAME (Black, Asian & Minority Ethnic) and 21% were female (unchanged from 2017/18). For PCSOs, these rates increase to 16% and 30% respectively (2017/18: 15% and 28%).¹⁴

To encourage applicants, BTP continues to offer development programmes for officers in under-represented groups. This has resulted in:

- In 2018/19, 18% of officers promoted to Sergeant were female (2017/18: 15%); and 10% of all officers promoted were BAME (2017/18: 12%).
- 18% of officers promoted to Inspector were female; and 8% of those promoted overall were BAME (2017/18: 10% and 15% respectively).
- Of those promoted to Chief Inspector, 40% were female; and 7% of all promotions in this category were BAME (2017/18: 0% for both).
- In the current year, 25% of promotions to Superintendent were female; and 13% of all promotions were BAME (2017/18: 0% for both).

BTP's Officer Assault Pledge was introduced in 2016 to ensure that any officer who is assaulted at work receives the most appropriate level of support and a robust investigation. It sets out a series of principles outlining what officers can expect in terms of support and care if they become a victim of assault while carrying out their duties.

This year has seen a 22% increase in assaults¹⁵ against BTP officers and PCSOs. This is attributed to a rise in incidents being reported. Wellbeing support for employees continues to be a key priority.

BTP employees took an average of 8.5 days sickness in 2018/19, compared to 8.9 in 2017/18. Officers had the highest sickness rate, taking an average of 8.7 days per person, with police staff taking an average of 8.4 days per person and PCSOs an average of 7.0 days.

In terms of managing our people through change, a high level of strategic and local engagement with the workforce was undertaken throughout 2018 and this has continued into 2019. The latest round of face to face briefings to the top 500 supervisors across the Force took place during February and March 2019 to bring local leaders up to speed with BTP2021. An easy to read BTP2021 bitesize newsletter on transformation is also issued to all staff.

BTP performance with regards to complaints remains favourable as is demonstrated by the benchmarking data published by the Independent Office for Police Conduct (IOPC). For 2018/19 BTP is shown as the third best performing Police Force when comparing the number of allegations per 1000 employees¹⁶. Strong performance is also demonstrated in other areas including the percentage of cases which are recorded within ten days and the average number of days to finalise allegations being 129 days.



Wellbeing support for employees continues to be a key priority.

¹⁴ 3% of officers and 1% of PCSOs did not state their ethnicity

¹⁵ Assaults on officers and PCSOs were recorded as 805 in 2018/19 from 659 in 2017/18.

¹⁶ The number of allegations has reduced to 127 allegations per 1,000 employees in 2018/19 from 139 in 2017/18

2018/19 Policing Plan

Underpinning our Strategy is the Policing Plan which sets out our annual policing priorities. Performance is assessed against a series of National and Local Commitments linked to our strategic priorities.

Policing Plan Pillar	National Commitment 2018/19	Headline Commentary
Strategic Objective: Protecting People		
Counter Terrorism	To identify the most likely impact of terrorism and ensure that BTP has the most effective tactical options and plans in place.	<p>The threat of terrorism on the railways is ever present. BTP continues to effectively respond to and mitigate against the impact of such incidents.</p> <p>There remain challenges in relation to the recruitment and retention of Authorised Firearms Officers. A range of options are being considered, and efforts to resolve this position are continuing.</p> <p>National exercises in collaboration with other police forces, fire brigades, ambulance services and key stakeholders including the Department for Transport and Home Office have been undertaken, enhancing BTP’s reputation in its ability to deal with such incidents.</p> <p>Industry-specific training and briefings, under Project Griffin, to equip both rail industry and BTP staff with the necessary skills to deter, detect and prevent terrorist activity, have continued successfully, with over 3,000 staff having attended these sessions in 2018/19.</p> <p>The Authority has approved proposals to pilot new technology to allow for more timely identification of threats on the rail network.</p>

Policing Plan Pillar	National Commitment 2018/19	Headline Commentary
Preventing crime	To prevent crime and detect offenders that impact the most in terms of the public's confidence to travel or use the railways.	<p>Notifiable crime recorded by BTP increased by 12% compared to the previous year. The key drivers of this increase have been in thefts of passenger property and 'violence against the person' offences.</p> <p>Operation Sentinel is the Force's national strategy to reduce violent and knife-enabled crime, with the aims of reducing violence towards passengers, rail staff and BTP officers as well as tackling knife offences and knife-enabled crime.</p> <p>There has been an 83% increase in reporting via the '61016' text messaging service which has contributed to this rise, and has led to 2,961 more deployments made by BTP compared to 2017/18.</p> <p>The rate of crimes per million passenger journeys has remained low. In the first three quarters of 2018/19, there were 20.8 crimes per million passenger journeys. BTP had a solved rate of 18.4%, which was slightly above the 18.3% rate for 2017/18, and remains favourable compared with other forces.</p>
Protecting the public	To protect, support and safeguard vulnerable people at risk and in crisis.	<p>Safeguarding vulnerable people on the railway continues to be one of the most important tasks BTP undertakes. Almost 2,300 missing children and young persons were found by BTP in 2018/19.</p> <p>There have been 2,391 life-saving interventions made by BTP and others on the railway this year, and BTP has used Mental Health Powers 2,550 times.</p>
Building confidence and satisfaction	To put victims and witnesses at the heart of what we do and inspire high standards of service, professionalism and personal integrity.	<p>The results from the Autumn 2018 Transport Focus National Rail Passenger Survey showed that, in Autumn 2018, 74% of rail users were satisfied with their personal security on board the train, which was a 1% reduction compared to Autumn 2017. 73% were satisfied with their security whilst using the station, which showed no significant change compared to Autumn 2017.¹⁷</p> <p>Part of BTP's mission is to ensure that all victims of crime are provided with the highest level of care and support. The quality of service provided to victims is monitored through satisfaction surveys; in 2018/19 73% were satisfied with the quality of service they received from BTP (2017/18: 77%).</p>

¹⁷ Source: Transport Focus (2019) National Rail Passenger Survey Main Report Autumn 2018.

Policing Plan Pillar	National Commitment 2018/19	Headline Commentary
Strategic Priority: Reducing Delays and Disruption		
Supporting the railways	<p>To work in partnership with industry and other partners to keep the railway running efficiently and on time.</p> <p>To respond quickly and take command of incidents that cause delay and promptly reinstate services.</p>	<p>Reducing delays and disruption remains a priority in our 2018-21 Strategy and BTP is working with the industry to find new ways of working together and in particular to reduce the impact of trespass. Overall police-related disruption increased by 17% in 2018/19, compared to the previous year.</p> <p>Trespass is the largest cause of police related delay, accounting for 44% of all police related disruption in 2018/19. There was a 19% increase in lost minutes caused by trespass, compared to 2017/18.</p> <p>BTP continues to act in a prompt, but professional and sensitive manner when responding to fatal incidents on the railway. Between April 2018 and February 2018, BTP reduced its average time to arrive to fatal incidents to 18 minutes in 2018/19 (2017/18: 20 minutes).</p>
Strategic Priority: Providing Value for Money		
Improving effectiveness and efficiency	<p>To ensure our staff and officers are in the right place at the right time to deliver our priorities.</p> <p>To use our resources effectively and deliver good value for our stakeholders.</p>	<p>In 2018/19, BTP has delivered cashable efficiencies of £4.2 million¹⁸, against a savings target of £4.1 million.</p> <p>BTP employees took an average of 8.5 days sickness in 2018/19, compared to 8.9 in 2017/18. Officers took an average of 8.7 days, which was down from the rate of 9.3 days per person last year.</p> <p>The average management time for 'non-suspicious' incidents reduced to 84 minutes (2017/18: 90 minutes). Partial reopening time where there were four track stretches of railway is on average 44 minutes in 2018/19, compared to 65 minutes in 2017/18.</p>
Strategic Priority: Building A Skilled and Specialist Workforce		
Supporting and valuing our workforce	<p>To ensure that our officers and staff feel valued and supported in what they do and are well trained and equipped to deliver specialist railway policing services.</p>	<p>BTP has an Officer Assault Pledge, which sets out a series of principles outlining what officers can expect in terms of support and care if they become a victim of assault while carrying out their duties. It aims to ensure that officers receive the most appropriate level of support and a robust investigation following an assault.</p> <p>This year has seen a 22% increase in assaults against BTP police officers and PCSOs, attributed in part to increased reporting of assaults by officers.</p>

¹⁸ These efficiency savings will be subject to validation by Internal Audit and may be subject to revision following the completion of this report.

Financial Analysis

The net deficit for the financial year was £73.3 million (2017/18: £75.2 million), of which £71.33 million (2017/18: £70.7 million) relates to an IAS19: Employee Benefits pensions (“IAS 19”) accounting adjustment. The result excluding the IAS19 adjustment is therefore £1.9 million deficit (2017/18: £4.5 million deficit).

	Year ending 31 March 2016 £'000	Year ending 31 March 2017 £'000	Year ending 31 March 2018 £'000	Year ending 31 March 2019 £'000	Budget 2019/20 £'000
Income	290,084	290,679	293,558	303,189	311,804
Expenditure	(353,486)	(342,568)	(368,728)	(376,450)	(400,463)
Net Deficit Including IAS19 pension costs	(63,402)	(51,889)	(75,170)	(73,261)	(88,659)
Adjusted net surplus/(deficit) Excluding IAS19 pension costs	(7,402)	(2,609)	(4,500)	(1,931)	(6,759)
Non Current Assets	60,459	54,688	51,964	49,419	N/A
Total Assets	106,738	98,150	108,999	108,790	N/A
Current Liabilities	(42,031)	(34,841)	(49,325)	(49,495)	N/A
Non Current Liabilities	(492,284)	(776,724)	(720,663)	(782,352)	N/A
Taxpayers Equity	(427,577)	(713,415)	(660,989)	(723,057)	N/A

Five year Financial Performance

The table shows financial outturn figures for the year ending 31 March 2016 to the year ending 31 March 2019 and the budget for 2019/20.

A new Medium Term Financial Plan covering 2019/20 through to 2023/24 was agreed at the BTPA meeting in March 2019. This set's out BTP's plan to fund its BTP2021 programme, delivering lasting efficiencies of £30 million of efficiencies between 2018/19 and 2021/22.

While finances are balanced by 2021/22 a deficit of £6.8 million exists in 2019/20 after charging an RPI increase to industry. As in previous years, the BTPA has decided to utilise cash reserves in funding this additional spend.

The table indicates that the key volatile element of income and expenditure is the IAS19 pension

costs. An adjusted deficit figure removing the IAS19 cost has therefore been provided to allow comparability over the four years and a clearer underlying financial position.

The net pension liability is also the key volatile element of assets and liabilities. After adopting IAS19: Employee Benefits, the opening financial position as at 1 April 2018 shows net pension liabilities of £719.8 million. The net liability of the scheme on 31 March 2019 was £781.6 million, an increase of £61.8 million in the year. A lower discount rate and higher inflation rate assumptions have increased the benefit obligation in the current financial year. The Department for Transport (DfT), as the BTPA's sponsoring department, underwrites any pension shortfalls.



Current Year Performance

The above financial analysis table shows the net deficit for the financial year was £73.3 million (2017/18: £75.2 million).

Income recognised in the year has increased by £9.6 million, from £293.6 million in 2017/18 to £303.2 million in 2018/19. This increase is in part as a result of charging an RPI increase to industry on Police Service Agreement (PSA) charges but also as a result of an increase in non-PSA income received from other agreements.

There has been an increase of £4.0 million in staff costs, from £284.3 million in 2017/18 to £288.3 million in 2018/19. £1.9 million of this increase is attributable to the



Income recognised in the year has increased by £9.6 million, from £293.6 million in 2017/18 to £303.2 million in 2018/19.

IAS19 adjustment to pension costs. A 2% pay award for employees and spine point progression has also contributed to the increase. Temporary staff costs have reduced in the year by £0.5 million.

Other expenditure has increased by £4.7 million, from £51.6 million in 2017/18 to £56.3 million in 2018/19. This has been as a result of increased IT costs for areas including licensing as well as an increase in employee related costs flowing from the BTP2021 programme.

In the statement of financial position the carrying value of non-current assets has reduced by £2.6 million from £52.0 million in 2017/18 to £49.4 million in 2018/19. The reduction in value is net of additions of £10.1 million and an in-year depreciation charge of £13.9 million.

Trade and other receivables due within one year at 31 March 2019 were £19.6 million (31 March 2018: £17.9 million). This comes from an increase in accrued income for amounts to be collected in future financial years offset by a reduction of invoices due for payment in trade receivables.

There has been minimal movement in the balance of current liabilities. However within this is a reduction in trade and other payables as well as an increase in provisions.

The reduction in trade and other payables of £3.3 million, from £44.6 million in 2017/18 to £41.3 million in 2018/19, has been caused by a reduction in the gross refund due to London Underground. This refund is due to ensure income recognised for 2018/19 reflects expenditure allocated to underground activity. This impact has been reduced by an increase in accruals at year-end. This increase can be attributed to the level of year-end project activity for projects including the national network services project.

Provisions have increased by £3.5 million, from £4.7 million in 2017/18 to £8.2 million in 2018/19. Employee-related provisions of £2 million are required in 2018/19 as a result of the BTP2021 programme. There has also been an increased level of legal cases relating to employee and motor vehicle claims BTP must provide for.

Improving Efficiency

The BTPA is committed to improving efficiency. The Strategic Plan sets out a commitment to achieving £30 million in lasting cashable efficiencies over the four years from 2017/18-2021/22.

BTP has established the BTP2021 transformation portfolio as the delivery vehicle for the efficiency programme. The portfolio builds on the target operating model work undertaken in 2017/18 in redesigning structures and processes in all parts of the organisation, and integrates the improvements in infrastructure, enabling software and mobile solutions being delivered under the Digital Strategy.

The approach to BTP2021 has deliberately sought to involve the workforce and wider stakeholders as much as possible in the development of new functional operating models in order to ensure that proposed designs are appropriately tested and that engagement remains high during a time of significant change. This 'co-design' approach works to ensure not only that the cashable savings target is achievable, but that changes are sustained by improvements in productivity and effectiveness that underpin the value-for-money proposition of BTP.

BTP has delivered cashable efficiencies of **£4.2 million** in 2018/19, in line with the savings target. **These efficiency savings will be subject to validation by Internal Audit in 2019/20.** In line with Government Internal Audit Agency (GIAA) and Her Majesty's Inspectorate of Constabulary (HMIC) recommendations, BTP operates a robust process for recording cashable efficiencies and monitors all 'banked' savings

delivery through a dedicated Delivery, Efficiency and Benefits Board.

Key areas of progress this year include:

Neighborhood Plus pilot

Neighbourhood Plus (NP+) is a key BTP2021 project seeking to better integrate frontline policing partnerships with stakeholders to deliver a safe and secure network. A NP+ pilot commenced in November 2018 at seven locations across BTP, involving a mix of Hub and Underground stations. NP+ builds on best practice Neighbourhood Policing work and contains initiatives that aim to reduce demand by reducing crime through problem-solving and increasing visibility and accessibility. The findings of the pilot will inform substantive proposals in 2019/20.

Digital

BTP has an ambitious Digital programme. This aims to modernise public access to our services and how resources are tasked and commanded, improving the availability of officers, and an upgrade of the core digital infrastructure.

Operational Support

BTP has undertaken significant redesigns of middle and back office functions, including Criminal Justice, Technology, Intelligence, Corporate Secretariat, Station Administration, Public Protection and the Strategic Centre. New operating models have generated £1.2 million in 2018/19 in cashable efficiencies whilst offering greater levels of integration, professionalization and renewed focus on maximising support to the delivery of frontline policing to the rail network.

Estates

The BTP Estates Strategy has delivered £685k in cashable efficiencies from the rationalisation of premises in high-cost London locations and the consolidation of over 60 contracts under the Total Facilities Management contract established in collaboration with the Department for Transport.

Custody

The London custody facility has been reduced from 20 cells to a 10-cell provision in line with analysis of demand for service, saving £513k in 2018/19 in reduced staffing and running costs.

Contracts

£270k of cashable efficiencies have been achieved through a range of measures, including reducing business travel expenditure and further progress in rationalising the software applications in use across BTP.

In 2019/20 BTP will face a more challenging target of £9 million in cashable efficiencies. A significant proportion will be delivered by the above changes already underway, whilst the approach to BTP2021 will continue to strike a balance between efficiencies and transformative change.

Sustainability Report

The BTPA is determined to ensure that policing the railways meets the sustainability requirements set by the Greening Government Commitment (GGC), which targets an overall 32% reduction in greenhouse gas emissions from the 2009/10 baseline year to the end of the second GGC phase in 2020/21.

2018/19 has seen the BTPA continue to progress towards meeting the Greening Government targets. Delivery of some targets has slowed down in comparison with the previous year, with only one target rising in comparison with the previous year. The overall trend continues to be a reduction against the 2009/10 Baseline, and the BTPA can still achieve the target reductions in 2020/21.

Progress against GGC operational targets

Greening Government Commitments	Baseline	Operational target to 2020/21	Operational Performance in 2017/18	Operational Performance in 2018/19	Progress against target	Gross Expenditure
<Greenhouse Gas Emissions (tonnes/CO2) (Scope 1-3)	8,647t	-32%	7,762t	7,363t	-14.85%	£3,751,872
Waste to landfill as a % of total waste	n/a	<10%	48.3%	10.3%	38.0%	£47,686
Water (m ³ /FTE)	20m ³	<4-6m ³	5.55m ³	5.47m ³	-72.70%	£97,360
Paper (reams A4 equivalent)	25,562t	-50%	18,786t	15,104t	-40.90%	N/A
Domestic Flights (Number of flights) ³	416	-30%	245	337	-19.0%	Included in GHG expenditure

The scope of our sustainability reporting includes our operations excluding those for TfL and all buildings where we pay un-metered charges.

Greenhouse Gas Emissions

Greenhouse Gas emissions continue to reduce within the estate. Further work to reduce the existing estate and make more efficient use of space continues to lead into the reduction, although there were no significant site closures in 2018/19 (as there were in 2017/18). The greatest reduction occurs within electricity consumption; this will be influenced by a reducing estate and improved staff behaviour, but it is also likely to have been assisted by a milder winter (although this may be in part offset by increased demand for air-conditioning throughout the summer). The vehicle fleet has seen an increase in fuel consumption, in part as a result of delaying the replacement programme, but the new vehicles which are now entering service are Euro6 compliant, which should lead to improved fuel efficiency.

Waste

Following implementation of the Total Facilities Management (TFM) contract, collection of waste for landfill, recycling and shredding has been centralised through one single provider, supporting BTP nationally and submitting a single reporting stream. According to the data reports, there does appear to be a reduction of waste to landfill, however there is a current project to provide greater granularity within the reporting, it is for this reason that the data is classified as Amber rather than Green.

Proportionately, mixed recycling forms 22% of Waste (excluding hygienic, confidential, and hazardous items), this underlines a need to encourage further staff engagement through the 'Going Green' campaign, to discourage single-use plastics and adopt sustainable alternatives.

Water

Water consumption continues to reduce against the baseline, standing at 72.7% progress towards the target in 2018/19. Although there have been no specific campaigns to reduce consumption, wherever possible, water efficient equipment has been installed.



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Paper

The digitisation and development of the 'paperless office' has ensured further reductions in printing and paper usage. The shift towards 'digital policing' is part of a continuous process, and it is highly likely that BTP will achieve target by 2020/21.

Domestic Flights

The trend in reducing flights in 2017/18 has not continued into 2018/19, with a marked increase of 37.6% against the previous year. Many of these are due to the work considering devolution to Scottish Policing / building a Scottish Railways Policing Committee that took place in the year – travel related to this work will reduce from 2019/20. This highlights an aspect of the business that needs

to be examined, with more focus put towards use of virtual meetings and video-conferencing. However, despite the increase, it should be noted that BTP continues to progress towards the GGC target of 30% reduction.

Transparency

Climate change adaptations

BTP continues to have no locations which require adaptation to climate change. Premises continue to be risk assessed for exposure to flooding, and such factors are taken into consideration with business continuity planning.

Biodiversity

The nature of our locations means there is not a large amount of natural habitat within close proximity. Operationally we have a team of Wildlife Crime Officers and staff who are specially trained and have access to resources and expertise from partner organisations. They are trained to respond to incidents such as destruction of habitats or species.

Procurement of food and catering services

Procurement of food and catering services now falls under the TFM contract. This contract includes a requirement to meet the Government Buying Standards (GBS) and advertise tenders to small and medium-sized businesses and to remove barriers from the supply chain in order to allow for competition.

Sustainable construction

All tenders for construction services include an evaluation requirement for the contractor to comply with Government Buying Standards in respect of sourcing materials and management of supply chain impacts. Energy efficiency of

the building is enhanced during any construction project where possible. Waste is also carefully managed during any construction or refurbishment work and items, such as furniture, are reused where possible.



H Ind

Accounting Officer

Date 04 July 2019



P Crowther

Additional Accounting Officer

Date 04 July 2019







Accountability Report

2

Corporate Governance Report

Directors' Report

Statement of Accounting Officer
and Additional Accounting
Officer's Responsibilities

Governance Statement

Remuneration Report

Parliamentary Accountability And Audit Report

Losses/Special Payments

The Certificate And Report Of The
Comptroller And Auditor General
To The Houses Of Parliament

Corporate Governance Report

Directors' Report

Authority Members:

Key to committee membership

● Authority

● Appointments & Remuneration

● Audit & Risk

● Strategy & Planning

○ Performance & Delivery

○ Policing Plan

○ Pensions Working Group



RON BARCLAY-SMITH

Chair

Appointed 05 March 2018 with a term of four years and a notice period of three months

BTPA responsibilities:

- Police Authority: Chair
- Appointments and Remuneration Committee: Chair

Appointments outside BTPA:

- Criminal Injuries Compensation Authority: Non-Executive Director
- Royal Institute of Chartered Surveyors: Lay Member of the Conduct and Appeals Committee



MARK PHILLIPS

Appointed Deputy Chair 7 November 2016 with a term of four years and a notice period of three months

BTPA responsibilities:

- Police Authority Deputy Chair
- Audit and Risk Assurance Committee: Chair
- Appointments and Remuneration Committee: Member

Appointments outside BTPA:

- Rail Safety and Standards Board Ltd: Chief Executive
- Transport for London Board: Member
- Confidential Incident Reporting & Analysis Service Limited: Director
- Railway Industry Supplier Qualification Scheme Limited (Dormant): Registered Officer
- Railway Documentation and Drawing Services Limited: Director



LEN JACKSON OBE

Reappointed 1 May 2016 for a term of two years and a notice period of three months. Term ended on 1 May 2018

BTPA responsibilities:

Throughout the period

- Police Authority
- Appointments and Remuneration Committee
- Performance and Delivery Committee



BILL MATTHEWS

Reappointed 1 November 2016 with a term of three years and a notice period of three months

BTPA responsibilities:

Throughout the period

- Police Authority
- Strategy and Planning Committee
- Pensions Working Group

Appointments outside BTPA:

- BBC: Hearing Manager (fixed term contract)
- CICA (Criminal Injuries): Non Executive Advisor
- Nursing and Midwifery Council: Panel Member
- National Records of Scotland: Non executive Advisor.
- Independent Office for Police Conduct: Non executive Board Member
- Scottish Criminal Cases Review Commission: Chair
- Scottish Futures Trust: Non executive
- Scottish Futures Trust Investments: Non executive



ELIZABETH FRANCE CBE

Reappointed 1 July 2014 for a term of four years and a notice period of three months Term ended on 1 July 2018

BTPA responsibilities:

Throughout the period

- Police Authority
- Policing Plan Group
- Performance and Delivery Committee

Appointments outside BTPA:

- Security Industry Authority: Chair
- Police Advisory Board for England and Wales and the Police Pensions Scheme Advisory Board: Chair
- FCA Regulatory Decision Committee: Deputy Chair
- FCA Payment Systems Regulator's Enforcement Decision Committee: Deputy Chair
- Ofgem Enforcement Decision Panel: Member



BEVERLEY SHEARS

Appointed 26 January 2017 with a term of three years and a notice period of 3 months

BTPA responsibilities:

Throughout the period

- Police Authority
- Appointments and Remuneration Committee
- Strategy and Planning Committee
- Pensions Working Group

Appointments outside BTPA:

- Blue Amaranth Consulting Limited
- North West Anglia NHS Trust: Non-executive Director



DOMINIC BOOTH

Re-appointed 1 September 2017 with a term of four years and a notice period of three months

BTPA responsibilities:

Throughout the period

- Police Authority
- Policing Plan Group
- Appointments and Remuneration Committee
- Performance and Delivery Committee: Chair

Appointments outside BTPA:

- Atoc Limited: Director
- West Midlands Holdings Limited: Director
- South Eastern Railways Limited: Director
- Abellio East Midlands Limited: Director
- West Midlands Trains Limited: Director
- Abellio Surrey Limited: Director
- South Eastern Holdings Limited: Director
- Abellio Merseyside Ltd: Director
- Anglia Rail Holdings Limited: Director
- Abellio Transport Group Limited: Director
- Abellio Scotrail Limited: Director
- Rail Delivery Group Limited: Director
- Abellio Thameslink Limited: Director
- Abellio East Anglia Limited: Director
- Abellio London Ltd: Director
- Abellio West London Ltd: Director
- Abellio Northern Ltd: Director
- Abellio Greater Anglia Ltd: Director
- Abellio New Business Ltd: Director
- Merseyside Services Holding Company Limited: Director
- Northern Rail Holdings Limited: Director
- Northern Rail Limited: Director
- Merseyside Electrics 2002 Limited: Director
- Abellio Transport Holdings Ltd: Director



SHRINIVAS HONAP

Appointed 26 January 2017 with a term of three years and a notice period of 3 months

BTPA responsibilities:

Throughout the period

- Police Authority
- Audit and Risk Assurance Committee
- Performance and Delivery Committee
- Pensions Working Group: Chair

Appointments outside BTPA:

- Office of Public Guardian Birmingham
- Office of Legal Complaints Birmingham
- Competition & Markets Authority
- Registers of Scotland
- Speakers Committee on Independent Parliamentary Standards Authority.
- UK Atomic Energy Authority
- Sai Aum Accounting Limited: Director
- Driver and Vehicle Standards Agency



WILLIE GALLAGHER

Appointed 26 January 2017 with a term of four years and a notice period of 3 months

BTPA responsibilities:

Throughout the period

- Police Authority
- Policing Plan Group
- Strategy and Planning Committee

Appointments outside BTPA:

- TSL Scotland Limited: Director



DYAN CROWTHER

Appointed 6 May 2015 with a term of four years and a notice period of three months

BTPA responsibilities:

Throughout the period

- Police Authority
- Audit and Risk Assurance Committee
- Strategy and Planning Committee: Chair

Appointments outside BTPA:

- HS1 Limited: Chief Executive
- East Coast Partnerships: Director
- East West railway: Director
- Women in Rail: Trustee
- Railway Children Charity: Trustee (until October 2018)



ANDREW POLLINS

Re-appointed 1 September 2017 with a term of four years and a notice period of three months

BTPA responsibilities:

Throughout the period

- Police Authority
- Audit and Risk Assurance Committee
- Strategy and Planning Committee

Appointments outside BTPA:

- Transport for London: Transformation Director



JEREMY MAYHEW

Appointed 26 January 2017 with a term of three years and a notice period of 3 months

BTPA responsibilities:

Throughout the period

- Police Authority
- Appointments and Remuneration Committee
- Performance and Delivery Committee

Appointments outside BTPA:

- UK Government's Regulatory Policy Committee
- Elected Common Councillor, City of London Corporation (Chairman, Finance Committee)
- Legal Services Board: Member
- Crossrail Art Foundation: Trustee
- British Friends of Harvard Business School: Trustee
- City Arts Trust: Trustee
- Homerton University Hospital: Governor
- Prior Weston School, Islington: Governor
- Christ's Hospital: Donation Governor
- London Chamber of Commerce and Industry: Council Member
- City University: Court Member
- Worshipful Company of Loriners; Court



MARTIN RICHARDS

Appointed 26 January 2017 with a term of four years and a notice period of 3 months

BTPA responsibilities:

Throughout the period

- Police Authority
- Policing Plan Group: Chair
- Audit and Risk Assurance Committee
- Performance and Delivery Committee

Appointments outside BTPA:

- Chichester Diocese: Director
- Sussex Mental Health Partnership Trust: Director
- Chichester Diocese: Director (Safeguarding)
- Sussex Cricket Limited: Board Member



STELLA THOMAS

Re-appointed 1 September 2017 with a term of four years and a notice period of three months

BTPA responsibilities:

Throughout the period

- Police Authority
- Policing Plan Group
- Performance and Delivery Committee



New Members

On 22 May 2019, the BTPA appointed four new members. Their committee appointments will be as follows:

Andrew Cooper

- Appointments and Remuneration Committee
- Performance and Delivery Committee
- Policing Plan Group

Graham Evans

- Audit and Risk Assurance Committee
- Strategy and Planning Committee
- Pensions Working Group

Kenna Kintrea

- Audit and Risk Assurance Committee
- Strategy and Planning Committee

Sir Craig Mackey

- Audit and Risk Assurance Committee
- Performance and Delivery Committee

Authority Officers

Chief Executive Officer Hugh Ind (appointed 3 June 2019)

Chief Executive Officer Charlotte Vitty (left 1 September 2018)

Interim Chief Executive Officer Ian Pigden-Bennett (appointed on 29 October 2018)

Chief Financial Officer and Treasurer Sarah McGarel (appointed on 9 April 2018)

BTP Chief Officer Group

Chief Constable Paul Crowther OBE

Deputy Chief Constable Adrian Hanstock

Assistant Chief Constable

(Public Contact and Specialist Crime) Charlie Doyle (permanently appointed 20 September 2018, previously on secondment from Surrey Police Force from 19 September 2017).

Assistant Chief Constable

(C Division and Specialist Operations) Stephen Thomas QPM (retired 14 May 2018)

Assistant Chief Constable

(Territorial Policing) Robin Smith

Assistant Chief Constable (Specialist Operations)

Sean O'Callaghan (appointed 25 June 2018.)

Director of Strategy and Change

Simon Downey OBE

Interim Finance Director

Alistair Cook (left 27 July 2018)

Director of Finance and Commercial

Tracey Martin (appointed 30 July 2018)

Director of People and Culture

Rachael Etebar (appointed 13 July 2018)



Pension arrangements

BTP follows IAS 19: *Employee Benefits* which has resulted in the liabilities of the British Transport Police Force Superannuation Fund ("Police Officer scheme") and the British Transport Police Shared Cost Section of the Railways Pension Scheme ("Staff scheme") being recorded on the Statement of Financial Position. Refer to note 23 for further disclosure relating to the two pension schemes. Refer to note 2.20 for the BTPA's accounting policy for pensions.

The last full valuation of the Police Officer scheme took place as at 31 December 2018. This has not been audited yet, therefore at the 2015 valuation it had an asset base of £846 million and had a funding level of 101%.

The last full valuation of the Staff scheme took place as at 31 December 2016. It had an asset base of £137.1 million and had a funding level of 101%.

Fraud, bribery and whistleblowing

The BTPA follows the Cabinet Office guidelines and takes a 'zero tolerance' approach in the event of any fraud or bribery. Any suspected cases of fraud or corruption are investigated vigorously in accordance with our Anti-Fraud and Corruption Policy. The policy is available to read on the BTPA website.

Auditors

The accounts of the British Transport Police Fund are audited by the Comptroller and Auditor General ("C&AG") under the Railways and Transport Safety Act (2003). The cost of the audit is £101,500 (2017/18: £103,000). The C&AG did not undertake any non-audit work for the BTPA (2017/18: £nil).

As far as the Accounting Officers are aware, all relevant audit information has been made available to the auditors. The Accounting Officers have taken all necessary steps required to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Other Parliamentary Disclosures

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. The triggering of Article 50 starts a two-year negotiation process between the UK and the EU.

On 11 April 2019, the government confirmed agreement with the EU on an extension until 31 October 2019 at the latest, with the option to leave earlier as soon as a deal has been ratified.

Any subsequent changes in legislation, regulation and funding arrangements are subject to the outcome of the negotiations.

Events occurring after the reporting date

On 3 June 2019, Hugh Ind was appointed as the Chief Executive Officer of the BTPA and Accounting Officer on a permanent basis.

The date the accounts are authorised for issue is the date that they are certified by the Comptroller and Auditor General.



H Ind
Accounting Officer
Date 04 July 2019



P Crowther
Additional Accounting Officer
Date 04 July 2019



“

Any suspected cases of fraud or corruption are investigated vigorously in accordance with our Anti-Fraud and Corruption Policy.

Governance Structure

The Authority

The British Transport Police Authority is responsible for ensuring an efficient and effective police force for the railways. It was established by the **Railways and Transport Safety Act 2003**

The Authority Executive

The Authority's Executive team supports the members by:

- ensuring there are efficient and effective processes in place to meet the Authority's statutory duties
- developing plans and strategies to complement the formal governance structure such as a Stakeholder Engagement Plan
- providing an assurance function
- owning and running the charging model to defray the costs of policing

Statutory duties

- Secure the maintenance of an efficient and effective police force
- Ensure the efficient and effective policing of the railways
- Appoint the Chief Constable, Deputy Chief Constable and Assistant Chief Constables.
- Enter into Police Service Agreements with railway operators
- Regulate the government, administration and conditions of those employed by BTP
- Set a strategy, objectives and budget for the policing of the railway

Sub-Committees

Appointments and Remuneration

- Approve the recruitment of senior officers of the BTP, and the BTPA's Chief Executive and Finance Director.
- Monitor the annual performance of senior staff at the BTP and the BTPA.
- Leading on workforce matters including conditions of service of police officers, staff and specials.
- Leading on the engagement with staff associations

Policing Plan

- Determine the national and local area targets for BTP. These targets are subsequently published in the annual policing plans

Audit and Risk Assurance

- Review and advise on matters relating to the internal and external audit of the BTPA.
- Provide an opinion on whether reliance can be placed on internal controls.
- Provide the Authority and Accounting Officer with a recommendation to sign the financial statements and governance statement.
- Advise the Authority on the effectiveness the BTPA and BTP's plans for risk management and business continuity

Performance and Delivery

- Monitoring and challenging operational and business performance and delivery of strategic and annual plans.
- Overseeing deployment of taser and firearms and ensuring the delivery of mandatory training to maintain these capabilities

Strategy and Planning

- Ensuring an integrated approach to the development of the Strategy, Medium Term Financial Plan, Policing Plan and Annual budget
































Pensions

- Review and oversee the adoption of a new pension scheme for police officers
- Review and oversee the existing pension schemes

Chief Officer Group

- Set the strategic tone and direction for BTP
- Act as the senior decision making forum for BTP
- Consider highlight reports from BTP governance boards and provide approval or issue further instruction as appropriate
- Consider high level risks and action to mitigate risk
- Provide an audit trail on key decisions

Committee Attendance

Member name	Number of full Authority meetings attended/number of Authority meetings available	Number of Appointment and Remuneration Committees attended/ number of Committee dates available	Number of Audit Committees attended/ number of Committee dates available	Number of Performance and Delivery Committees attended/ number of Committee dates available
Ron Barclay-Smith¹	4 / 4 	2 / 2 		3 / 3 
Dominic Booth	4 / 4 	2 / 2 		3 / 3 
Elizabeth France²	1 / 1 			1 / 1 
Len Jackson³	1 / 1 			
Bill Matthews	4 / 4 			
Andrew Pollins	3 / 4 		3 / 4 	
Mark Phillips	4 / 4 	2 / 2 	4 / 4 	
Stella Thomas	4 / 4 			3 / 3 
Dyan Crowther	2 / 4 		4 / 4 	
William Gallagher	3 / 4 			
Martin Richards	4 / 4 		4 / 4 	3/3 
Beverley Shears	4 / 4 	1 / 2 		
Shrinivas Honap	4 / 4 		3 / 4 	1 / 3 
Jeremy Mayhew	3 / 4 	2 / 2 		2 / 3 

¹ Ron Barclay-Smith attended the Performance and Delivery Committee and the Strategy and Planning Committee as an observer.² Elizabeth France left 1 July 2018³ Len Jackson left 1 May 2018.

Committee Attendance

Member name	Number of Strategy and Planning Committees attended/ number of Committee dates available	Number of Policing Plan working group attended/ number of meeting Committee dates available	Number of Pensions Review working group attended / number of meeting dates available
Ron Barclay-Smith ¹	1 / 3 		
Dominic Booth		2 / 2 	
Elizabeth France ²			
Len Jackson			
Bill Matthews	4 / 4 		4 / 4 
Andrew Pollins	3 / 4 		
Mark Phillips			
Stella Thomas		1 / 2 	
Dyan Crowther	4 / 4 		
William Gallagher	4 / 4 	2 / 2 	
Martin Richards		1/2 	
Beverley Shears	4 / 4 		3 / 4 
Shrinivas Honap			3 / 4 
Jeremy Mayhew			

¹ Ron Barclay-Smith attended the Performance and Delivery Committee and the Strategy and Planning Committee as an observer.² Elizabeth France left 1 July 2018³ Len Jackson left 1 May 2018.

Statement of Accounting Officer's and Additional Accounting Officer's Responsibilities

Under the Railways and Transport Safety Act (2003), the Secretary of State for Transport has directed the BTPA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the BTPA and of its income, expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Account Direction issued by the Secretary of State including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;

- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on an on-going concern basis.

The Accounting Officer of the Department for Transport has designated the Chief Executive Officer as the Accounting Officer of the British Transport Police Fund. In addition, the Chief Executive Officer has, with the agreement of the Department for Transport, appointed the Chief Constable as an additional Accounting Officer, to be accountable for the resources which come under his control.



The Chief Constable has statutory responsibility for the direction and control of the Force and is required to have regard to the plans and strategies published by the Authority. The Authority's Code of Corporate Governance sets out the relationship between the Chief Constable's statutory and common law responsibilities, independence in matters of policing and the Chief Constable's responsibilities as Additional Accounting Officer. These include the management and expenditure of BTP, and joint responsibility for the preparation of these accounts. This appointment reflects the autonomy the BTPA grants to BTP in the spending of the budget given to it by the BTPA, and BTP's full independence in policing

matters. However, it remains the role of the BTPA to exercise appropriate oversight of BTP, and the appointment does not detract from the Chief Executive Officer's overall responsibility as Accounting Officer for the accounts.

The responsibilities of an Accounting Officer include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable; keeping proper records; and safeguarding the BTPA's assets, as set out in 'Managing Public Money' published by HM Treasury.

We confirm that to the best of our knowledge there is no relevant audit information of which the

auditors are unaware, and that we have taken all appropriate steps to make ourselves aware of any pertinent audit information that would be relevant to the auditors of these accounts. We confirm that the annual report and accounts as a whole is fair, balanced and understandable and that we take responsibility for the annual report and accounts and the judgements requested for deeming that it is fair, balanced and understandable.

Governance Statement



There has been a continued focus on embedding improved processes and controls such that the internal control environment has been further strengthened.

Accounting Officer's introduction to corporate governance

As Accounting Officer for the British Transport Police Fund I have responsibility for maintaining a strong system of internal control that supports the achievement of the British Transport Police Authority's policies, aims and objectives, whilst safeguarding the funds and assets for which I am personally responsible in accordance with the responsibilities assigned to me by the Secretary of State for Transport.

The Chief Constable is appointed as an Additional Accounting Officer with particular responsibility for the budget, transactions and associated matters relating to BTP's financial management, policies, aims and objectives.

The BTPA Chair ("Chair") and the BTPA Executive team have access to the Secretary of State for Transport and the ministerial team when required to discuss policing and strategy. The Chief Constable has similar access to discuss operational policing. Regular meetings are held with DfT officials and periodically with the Permanent Secretary.

In last year's statement the BTPA reported a strengthened control environment as a result of significant work undertaken to address areas of control weakness. Throughout 2018/19 there has been a continued focus on embedding improved processes and controls such that the internal control environment has been further strengthened, despite the increased activity resulting from the ongoing transformation programme. Improved controls have been commended by external reviewers (see Other Assurance Activities section below). A continuing focus on risk management and assurance mapping will support efforts to identify and review key controls and higher risk areas.

Throughout 2018/19 the BTPA has continued to embed the revised Authority committee structure which was implemented from 1 July 2017 in order to encourage greater alignment of decision making and performance indicators, as well as improve the efficiency and effectiveness of committees. A review was undertaken by Internal Audit this year noting various improvements as a result of the new structure, as well as areas requiring a continuing focus.



One area of note this year, though, has been how wider frameworks affect the control environment. Ways of working between the BTPA and BTP is one area both parties have committed to strengthen in order to reinforce joint accountability and governance. As we face challenges in implementing BTP2021, there is a strong need for closer working and greater clarity of each other's priorities, requirements and overlay between the two to maximise expertise and validation within the respective decision-making processes.

The Police Authority

The BTPA meets four times a year, and is required to make specific decisions according to the statutory duties noted above. Effective 1 April 2019, this will increase to six meetings a year.

The Chair and Members of BTPA ("Members") are appointed by the Secretary of State. Members are drawn from people who have experience of the rail industry, railway staff, the travelling public and others with designated experience, including of Scotland and Wales. Members are not intended to be representatives of those interests but all work together and act as a single corporate body.

Details of current Members are included in the Directors' report; referencing also the sub-

Committees on which they serve and their meeting attendance details.

Sub-Committees

The sub-committees below have been formally scheduled throughout the year. This does not take into account additional extraordinary committee meetings and member-only sessions.

Sub-Committees

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (ARAC) was chaired by Mark Phillips. It currently has four members, met four times in 2018/19 and undertook a wide range of assurance activities, including overseeing:

- The Internal Audit programme;
- Her Majesty's Inspectorate of Constabulary (HMIC) inspection programme;
- The submission of a Management Assurance Return to the DfT; and
- Overseeing the implementation of actions resulting from audits, external reviews and submissions to the Department for Transport.

During the year, Internal Audit undertook nine reviews, six of which had an opinion rating. There were no limited assurance opinions provided, compared to one in the previous year relating to Risk Management.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee was chaired by Ron Barclay-Smith. It has five members, met twice in 2018/19 and considered a range of workforce issues, including:

- Re-appointment of the Chief Constable and, following a re-structure of the BTP senior team, the appointment of a Director of Finance and Commercial Services, a Director of People and Culture and a Director of Strategy and Change.
- Additionally an interim Chief Executive Officer was appointed whilst the search for a permanent CEO was conducted;
- Approving staff and officer pay awards; and
- Reviewing the performance of the Chief Constable and Chief Officer Group, BTPA's Chief Executive and BTPA's Chief Finance Officer.

Performance and Delivery Committee

The Performance and Delivery Committee is chaired by Dominic Booth. It has five members, met three times during 2018/19 and considered a range of standing and 'thematic' matters as set out in its annual plan of work for 2018/19, including:

- Assessing financial reports, including performance against annual and medium term financial plans and ensuring

the effective review by BTPA of financial performance;

- Assessing progress against strategy, delivery and spend on capital projects and major revenue schemes;
- Examining post completion reports for all capital and major revenue schemes;
- Assessing and providing challenge on BTP operational and organisational performance and efficiency against criteria which are defined in the strategic plan;
- Providing oversight over use of force (including stop and search and taser/firearms);
- Overseeing the development and maintenance of BTP's capability and representation as set out in the people strategy through the monitoring of key HR data; and
- Ensuring, as the legal employer of police staff and officers, compliance with relevant employment legislation.

Strategy and Planning Committee

The Strategy and Planning Committee is chaired by Dyan Crowther. It has five members, met four times during 2018/19 and was created to ensure an integrated approach to the development of the Strategy, Medium Term Financial Plan, Policing Plan and annual Budget, through:

- Producing a Strategy and Medium Term Financial Plan for consideration by BTPA;
- Outlining the desired culture and behaviours in alignment with the Strategy;
- Overseeing the development of subordinate strategies including those relating to people, equality and diversity;
- Preparing the Policing Plan in line with strategy and stakeholder requirements;

- Agreeing performance metrics with BTP;
- Advising on the preparation of the annual budget;
- Ensuring effective consultation with stakeholders in the preparation of the strategy, medium term financial plan, budget and Policing Plan;
- Approving business cases in line with delegation limits set out in the code of governance; and
- Reviewing annual provisional Policing Service Agreement charges.

Policing Plan Group

The Policing Plan working group is chaired by Martin Richards. It has four members and is an annual task and finish group, which usually meets twice between October and March to determine BTP national and local targets. These targets are subsequently published in annual policing plans approved by BTPA at its full March meeting.

Pensions Review Working Group

The Pensions Working Group, chaired by Shrinivas Honap, was set up to review and oversee the adoption of a new pension scheme for Police officers. The working group continues to review the current Police Staff Scheme with the intention of finalising any changes by during the 2019/20 financial year.

Executive Team

BTPA has an Executive Team of twelve, covering strategy, governance, compliance and finance.

BTPA's Chief Finance Officer fulfils the role of Treasurer to BTPA with the responsibility for the proper management of the BTP Fund. This enables BTPA to receive independent financial advice in all aspects of its activity,

including the strategic planning and policy making process, as well as on budgetary matters. BTPA's Chief Executive Officer is appointed the Accounting Officer by the Principal Accounting Officer at the Department for Transport.

Separately the BTP Chief Constable has been appointed as an Additional Accounting Officer. In this role, the Chief Executive assigned to the Chief Constable responsibilities relating to all expenditure and activities by BTP within the agreed budget and specific revenue or capital projects as defined in the Scheme of Delegation.

Risk management

Further to the Governance Review undertaken in 2015/16 which highlighted the requirement to mature BTPA's risk management arrangements, further efforts have continued throughout 2018/19 to enhance the Risk management process. These include the delivery of a risk appetite workshop chaired by the Deputy Chief Constable and attended by members of the BTPA Executive; instigation of a review of escalation and reporting arrangements for strategic risks by the BTP Head of Audit and Assurance; regular risk workshops for employees with responsibilities at sub-strategic levels; review of strategic risks; formal controls assurance for all strategic risks and a full programme of Departmental and Divisional risk register review through the BTP Audit, Risk Inspection and Compliance Board.

Currently risks are assessed against their potential impact and probability on a scale of one (low) to five (very high). These two scores are combined to give an inherent risk rating. The impact of mitigating actions is taken into account in providing a residual risk

rating, with potential future mitigations working towards a target risk rating. The joint senior management teams review both strategic and operational risks. This process produces a risk universe that includes strategic risks (risks to the achievement of the strategy and policing plan) but also allows for review of other significant operational risks (programme, project or operational) that should be brought to the attention of the Audit and Risk Assurance Committee and BTPA Board.

This information is a standing agenda item at BTPA Audit and Risk Assurance Committee and the BTP Audit, Risk, Inspection and Compliance Board on a quarterly basis.

An assessment of the Strategic Risk Register and uncertainties facing the BTP Authority are presented in the Performance Report.

Whilst the work carried out above was acknowledged by Internal Audit as a positive development, in 2017/18 a limited opinion was issued from their review of risk management due to the absence of a defined and agreed risk appetite as well as several issues identified with the evidence supporting risk management in practice. These have now been completed but work continues to embed risk management across the organisation.



Statement of information risk

BTPA must maintain the confidentiality, integrity and availability of its information to operate effectively, efficiently and securely.

Compliance with the Cabinet Office controls, the Data Protection Act / General Data Protection Regulations (GDPR), National Cyber Security Centre and all pertinent law and guidance for the policing community is required.

As required by the above authorities, BTPA must have policies and controls in place to ensure that access to information



BTPA must have policies and controls in place to ensure that access to information is correctly managed and safeguarded throughout its life cycle.

is correctly managed and safeguarded throughout its life cycle. I am responsible for ensuring that information risks are assessed and mitigated to an acceptable level. I am supported in the discharge of this responsibility by the BTP Senior Information Risk Owner (SIRO).

In light of concerns raised regarding the storage / management of physical records in 2018/19, further review has taken place across BTP to ensure compliance

and to highlight any issues to Management for remediation. All related policies are up to date and issued, and an increased level of control has been put in place for PocketNote Books and general information assets. An Information Governance Board with the SIRO as Chair continues to monitor information management and report to the BTP Audit, Risk, Inspection and Compliance Board.

Information management in relation to processing train operating company (TOC) prosecutions has been highlighted as an emerging risk due to the lack of timely updates from some TOCs, increasing the likelihood that inaccurate data is held by BTP. To BTPA's knowledge, there have been no material issues, including financial losses, as a result of this issue.

During the year, the BTP and BTPA were audited by Internal Audit for compliance with the 2018 GDPR, which resulted in an assurance level of Substantial.

We continue to support key digital initiatives to ensure security and compliance and to work with specialist units to maintain controls across the diverse areas of BTP.

Personal data related incidents

There were 26 (2017/18: 32) incidents involving personal data breaches. Of these three (2017/18: 1) were reported to the Information Commissioner (ICO). BTP received five 'Data Protection Concern' referrals from the ICO in 2018/19 (2017/18: 5). Each was closed without further action required as remedial actions had already been taken.

Other assurance activities

Internal Audit

The 2018/19 annual internal audit report and opinion from the Government Internal Audit Agency (GIAA) has stated that, during the financial year, moderate assurance can be taken on the adequacy and effectiveness of the framework of governance, risk management and control, with some improvements required. This is compared to a moderate audit opinion in 2017/18 and a limited opinion in 2016/17 and is a reflection of the significant efforts undertaken by BTP and BTPA to strengthen the control environment.

A maturity assessment of the transformation portfolio was undertaken this year. It reported a balanced view of where the portfolio had strengths, but also where improvements were required. The main recommendations in this report were around governance, risk management and communication. The report highlighted the need for BTP and BTPA to work closer together – which both committed to.

In 2017/18, significant weaknesses were identified in relation to risk management. Internal Audit reviewed progress on recommended actions. Not all documentation had been completed at that point, yet substantial progress was noted in completing the majority of corrective actions. Outstanding recommendations have been completed but it is still a priority for management to fully embed risk management across the organisation and ensure risk management drives decision-making.

Detailed actions plans are in place to review all open audit recommendations. These receive significant oversight from both BTP and BTPA. Internal Audit assessed a

sample of 2017/18 actions to ensure closure and reported control improvements in Information management, Health & Safety and Business Continuity Management. Efforts in completing Finance recommendations have been commended, with recent audits of cashflow forecasting and budget-setting having a moderate assurance opinion. However, there are audit recommendations to be addressed and continued focus will be required.

All audit recommendations will be addressed, tracked and re-reviewed by the Internal Auditors.

Governance Review

During 2018/19 an internal audit was undertaken to provide assurance over the effectiveness of BTPA's governance arrangements. The audit found that...

...changes to the BTPA governance committee structures implemented since July 2017 are positive and create a clearer picture of the role and remit of committees.

The report identified various recommendations to strengthen the overall governance framework. Specifically, it was recommended that overall governance structures should be mapped to present a clearer picture of combined arrangements between BTP and BTPA. The remit of the Performance and Delivery committee is very wide and would benefit from a review of its terms of reference. There can be further improvements to the key secretariat functions to reduce the volume of work required to run the committees effectively and

setting standards and expectations of members, the executive and management, combined with joint training, was recommended to increase understanding and insight.

Financial Management and Control

During 2015/16 weaknesses were identified within the financial management and control framework and an action plan was put in place. Over the last three years significant progress has been made in delivering this action plan to address and mitigate these identified weaknesses.

During 2018/19 there was continued focus on financial management and control. This enhanced management and control framework was verified by two internal audits (annual budget-setting and cash-flow forecasting) which had moderate ratings and a finance action plan review. Further, Internal Audit reviewed 2017/18 recommended actions which followed audits of Accounts Payable, Management Accounts and Payroll.

During 2018/19 the Authority has identified that improvements are required within the Contract Management process. Work has already begun to put in place a formal contract management plan. Pilots have started with a number of stakeholders with a view to rolling out the process to all parties.

Management Assurance Return

The Management Assurance Return (MAR) is submitted annually to DfT to allow them to gain assurance on specific issues of governance and internal control.

In 2018/19 an Internal Audit review of the effectiveness of the MAR process concluded with a moderate rating, noting some good areas of practice such as the challenge panels held to review the overall

category levels. A continued focus is however needed at a more granular level to ensure the existence of sufficient supporting evidence for the responses. There were no areas of limited assurance within the 2018/19 MAR (nil in 2017/18). Overall the improvements in control environment seen from 2016/17 continue, with sixteen areas being rated substantial. Though this is noted as a slight decrease from 2017/18 where there were eighteen substantial ratings, this is reflective of the continual monitoring of the control environment and focus on continuous improvement.

In the five areas where the ratings were reduced from substantial to moderate, action plans are in place to address these.

HMICFRS

During the year, Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspected BTP's effectiveness of preventing counter-terrorism. The results of this will contribute to a thematic paper containing observations from across the policing landscape, which is due to be published in July 2019.

In April 2019, BTP was one of a number of forces inspected on 'County Lines' drug supply, which focused on the exploitation of vulnerability. The report for this inspection is due in September 2019.

Senior Police Leadership Selection and Development was another area of inspection which commenced in April 2019, as part of a wider review of police services. The report is due in July 2019.

In 2019/20, in line with the HMICFRS proposed programme, BTP will be subjected to inspections around Counter Terrorism thematic and Police Efficiency, Effectiveness and Legitimacy (PEEL) Assessments. Further to the



planned inspection activity, HMICFRS will conduct a bespoke inspection of BTP which focuses on the specialist nature of BTP and those specific policing matters that are of most significance for passengers and the rail industry. Preparations are underway for the first of those inspections, focused on Disruption, which was originally planned for 2018/19 but will now take place in 2019/20.

HMICFRS concluded a police effectiveness inspection. Though it started in 2017/18, it concluded in July 2018 with a rating of 'good' in all areas assessed – preventing crime, investigating crime, protecting vulnerable people and tackling serious and organised crime. The areas of improvement identified in this inspection have been largely completed – 12 of 17 recommendations have been completed and, in many cases, the progress made has exceeded the

requirement from HMICFRS. These ratings are a significant achievement and ensure BTP compares favourably with others (only 13 out of 44 forces achieved similar or higher ratings).

Good progress has been made against the recommendations contained in the HMICFRS improvement plans from 2017/18. Of 84 recommendations, 77 have now been completed.

Board Effectiveness Evaluation

BTPA completed its annual Board Effectiveness Evaluation in March 2019, following completion of a full year committee cycle under the new structure. While BTPA Members remained confident that they were meeting all of their statutory duties, the evaluation identified that work was required to ensure BTPA was working in

the most efficient and effective way. An action plan has been agreed to address opportunities for improvement and work is underway to ensure this is fully implemented in 2019/20.

Information Technology (IT)

Following a review in 2017/18 conducted by a third party provider, the organisation put in place an action plan to address weaknesses within governance, departmental processes, information infrastructure, security and accessibility. Over the ensuing 24 months, various activities have delivered enhanced governance, core infrastructure, and a robust Cyber Security position, delivering a step-change in capability.

Key deliverables during 2018/19 have included infrastructure improvements around network, internet and PSN connectivity,

the establishment of a comprehensive patch regime, and major upgrades to systems including NICHE, Controlworks and Origin HR. In parallel, the on-going development of a structured service delivery approach has delivered improved service stability and management. All short to medium term activities have now been successfully delivered, with the remaining longer term work planned through the Digital Transformation Programme under BTP2021, which encompasses the major transformation activities such as Cloud Transition and the delivery of new National Network Services.

In January 2019, BTP experienced two separate periods of significant network service disruption totalling 34 hours and 48 minutes. A Gold Command structure was activated and maintained throughout the outages, ensuring any operational impact to BTP was carefully and holistically monitored and mitigated.

Disaster recovery capabilities continue to require improvement. The BTP Technology Strategy sets out the intention to remediate this and work is already underway with the key move to cloud infrastructure expected to be completed in October 2019.

Vetting Procedures

Whilst the Authority continues to consider the overall vetting procedures to be fit for purpose, there were some processing delays at the beginning of the year due to abnormally high volumes of requests. The Vetting team is transitioning into a new structure within the BTP 2021 transformation which should lead to a more efficient process. To BTPA's knowledge, no material issues, including financial losses, have arisen as a result of these delays.

Data security issues

During the 2018/19 period, BTPA recorded no data security breaches that it was not able to manage adequately to resolve. We supported the BTP Federation through the major incident which befell them in March (a ransomware attack) and liaised with the BTP Federation and Government agencies to understand risks and advise on control measures.

Review of Effectiveness

As Accounting Officer and Additional Accounting Officer, we have responsibility for reviewing the effectiveness of the system of internal control and compliance

with the Corporate Code of Governance for BTPA. Our review is primarily informed by the work of internal audit, external audit, and by the management assurance reporting and by external audit feedback in their management letter and other reports.

Having reviewed the evidence provided to us, we are satisfied, in line with our responsibilities set out above, that the BTPA and BTP have implemented an improved system of internal control. Further work will continue in the financial year 2019/20 to fully embed these strengthened controls.



H Ind

Accounting Officer

Date 04 July 2019



P Crowther

Additional Accounting Officer

Date 04 July 2019



Remuneration Report

The appointment of the Members of the Authority

The constitution of the BTPA is set by the Railways and Transport Safety Act 2003 which determines the necessary range of knowledge and experience of Members.

Members of the BTPA are appointed by the Secretary of State for Transport, with the intention that BTPA is representative of the community it serves and is informed of the views and interests of these groups.

Remuneration policy and procedures

The remuneration policy for Authority Members is determined by the Department for Transport.

The remuneration policy for senior officers of BTPA and the BTP Chief Officer Group is determined by the Appointments and Remuneration Committee in accordance with the findings of the Senior Salaries Review Body.

BTPA's general remuneration policy is determined by:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities.
- the regional or local variations in labour markets and their effects on the recruitment and retention of staff.
- the specific factors relate to policies and guidelines from the Police Remuneration Review Body which influences the remuneration arrangements for both superintending and federated ranks.
- for police support staff, collective bargaining with recognised employee associations determines annual settlements.

The Members' salary and allowances are set by the Secretary of State for Transport following consultation with BTPA. Members receive pensionable allowances and are entitled to claim expenses for

travel, accommodation and subsistence when on Authority business.

Terms of appointment

Terms of appointments of Authority members are disclosed within the Directors Report.

Authority Officers

Authority Officers	Commencement of contract	Term expiry date	Notice period required months
Hugh Ind	03/04/2019	Permanent appointment	3
Charlotte Vitty, Chief Executive¹	06/04/2017	01/09/2018	6
Ian Pigden-Bennett, Interim Chief Executive	29/10/2018	28/06/2019	1
Sarah McGarel, Chief Financial Officer and Treasurer and Deputy Chief Executive	09/04/2018	Permanent appointment	3

BTP Chief Officer Group

Authority Officers	Commencement of contract	Term expiry date	Notice period required months
Paul Crowther, Chief Constable	01/05/2014	07/02/2021	6
Adrian Hanstock, Deputy Chief Constable	14/10/2014	13/10/2019	3
Stephen Thomas, Assistant Chief Constable ²	01/07/2007	14/05/2018	3
Sean O'Callaghan, Assistant Chief Constable	25/06/2018	Permanent appointment	3
Simon Downey, Director of Strategy and Change	22/04/2014	Permanent appointment	3
Alistair Cook, Finance Director	09/06/2016	27/07/2018	1
Tracey Martin, Director of Finance and Commercial Services	30/07/2018	Permanent appointment	3
Rachael Etebar, Director of People and Culture	13/08/2018	Permanent appointment	3
Robin Smith, Assistant Chief Constable	19/09/2016	Permanent appointment	3
Charlie Doyle, Assistant Chief Constable ³	20/09/2018	Permanent appointment	3

¹ Charlotte Vitty commenced her role of interim Chief Executive from 1 January 2017, until 6 April 2017 when she was appointed permanent Chief Executive. Her term ended 1 September 2018

² Stephen Thomas retired on 14 May 2018.

³ Charlie Doyle was seconded from Surrey Police Force from 19 September 2017 until 19 September 2018.

Remuneration of Authority Members (Audited)

	2018/19				2017/18			
	Salary £'000	Benefits in kind (to nearest £100) £	Pension Benefits £'000	Total £'000	Salary £'000	Benefits in kind (to nearest £100) £	Pension Benefits £'000	Total £'000
Members								
Rt Hon Esther McVey PC¹	-	-	-	-	0-5	-	-	0-5
Ron Barclay-Smith²	40-45	-	-	40-45	-	-	-	-
Dominic Booth	15-20	-	-	15-20	15-20	-	-	15-20
Elizabeth France³	5-10	-	-	5-10	15-20	-	-	15-20
Len Jackson⁴	0-5	-	-	0-5	25-30	-	-	25-30
William Matthews	15-20	-	-	15-20	15-20	-	-	15-20
Andrew Pollins	15-20	-	-	15-20	15-20	-	-	15-20
Mark Phillips⁵	25-30	-	-	25-30	30-35	-	-	30-35
Stella Thomas	15-20	-	-	15-20	15-20	-	-	15-20
Anton Valk⁶	-	-	-	-	05-10	-	-	05-10
Dyan Crowther	15-20	-	-	15-20	15-20	-	-	15-20
Jeremy Mayhew	15-20	-	-	15-20	15-20	-	-	15-20
Beverley Shears	15-20	-	-	15-20	15-20	-	-	15-20
William Gallagher	15-20	-	-	15-20	15-20	-	-	15-20
Martin Richards	15-20	-	-	15-20	15-20	-	-	15-20
Shrinivas Honap	15-20	-	-	15-20	15-20	-	-	15-20

¹ As of 28 April 2017, Esther McVey stood down as Chair. The full year equivalent for this role is £30,000-£35,000.

² Ron Barclay-Smith was appointed on 5 March 2018 but no payment was made in 2017/18. During 2018/19 there was a temporary increase in the Chair's time commitment to BTPA, agreed with the DfT's sponsor branch, to address a number of governance and management matters. The full year equivalent for this role is £30,000-£35,000.

³ Elizabeth France's membership term ended 1 July 2018 and full year equivalent in 2018/19 £15,000-£20,000.

⁴ Len Jackson was Interim Deputy Chair from 29 April 2017 to 4 March 2018. This involved an additional 20 days on a pro-rated basis versus a 30 day annual commitment for a member, for which the full year equivalent was £15,000-£20,000 in 2017-18. His membership term ended 1 May 2018.

⁵ Mark Phillips was Interim Chair from 29 April to 4 March 2018. This involved an additional 10 days on a pro-rated basis versus the 50 day commitment of the Deputy Chair in 2017/18. Full year equivalent for the Deputy Chair role is £25,000-£30,000.

⁶ Anton Valk's membership term ended 1 September 2017. Full year equivalent salary in 2017/18 was £15,000-£20,000.

Remuneration of Authority Officers and Chief Officer Group (Audited)

	2018/19				
	Salary £'000	Compensation Payments £'000	Benefits in kind (to nearest £100) £	Pension Benefits £'000	Total £'000
Authority Officers					
Andrew Figgures¹	-	-	-	-	-
Charlotte Vitty²	65-70	22	-	34	120-125
Ian Pigden-Bennett³	55-60	-	-	15	70-75
Yifat Steuer⁴	-	-	-	-	-
Shahida Nasim⁵	-	-	-	-	-
Sarah McGarel⁶	115-120	-	-	25	140-145
Chief Officer Group					
Paul Crowther	195-200	-	9,600	-	205-210
Adrian Hanstock	155-160	-	-	36	190-195
Mark Newton⁷	-	-	-	-	-
Stephen Thomas⁸	20-25	0.2	400	-	25-30
Simon Downey	140-145	-	-	27	165-170
Robin Smith	125-130	-	-	-	125-130
Alun Thomas⁹	-	-	-	-	-
Paul Brogden¹⁰	-	-	-	-	-
Alistair Cook¹¹	50-55	15	-	10	75-80
Tracey Martin¹²	85-90	-	-	20	100-105
Rachael Etebar¹³	75-80	-	-	19	95-100
Charlie Doyle¹⁴	55-60	-	-	-	55-60
Sean O'Callaghan¹⁵	80-85	-	-	18	100-105

¹ Andrew Figgures' term as Chief Executive ended 31 December 2016. His full year equivalent salary based on his role prior to his resignation was £125,000-£130,000.

² Charlotte Vitty held the position of interim Chief Executive from 1 January 2017 and then permanent Chief Executive from 6 April 2017. Her term ended 1 September 2018. Full year equivalent salary is £140,000-£145,000.

³ Ian Pigden-Bennett's term as interim Chief Executive Officer began on 29 October 2018. Full year equivalent salary is £145,000-£150,000.

⁴ Yifat Steuer's term as interim Finance Director began on 19 June 2017 ended on 22 February 2018. Full year equivalent salary is £130,000-£135,000.

⁵ Shahida Nasim's term as interim Finance Director ended on 7 July 2017. Full year equivalent salary is £125,000-£130,000.

⁶ Sarah McGarel's term as Chief Financial Officer and Treasurer began on 9 April 2018. Current full year equivalent is £115,000-£120,000. Due to additional duties undertaken in the year, a one-off payment to recognise the additional role was paid.

⁷ Mark Newton departed Office on 6 April 2017. Full year equivalent salary is £105,000-£110,000.

Remuneration of Authority Officers and Chief Officer Group (Audited)

2017/18					
	Salary £'000	Compensation Payments £'000	Benefits in kind (to nearest £100) £	Pension Benefits £'000	Total £'000
Authority Officers					
Andrew Figgures¹	0-5	-	-	-	0-5
Charlotte Vitty²	140-145	-	-	33	170-175
Ian Pigden- Bennett³	-	-	-	-	-
Yifat Steuer⁴	85-90	-	-	-	85-90
Shahida Nasim⁵	40-45	28	-	7	75-80
Sarah McGarel⁶	-	-	-	-	-
Chief Officer Group					
Paul Crowther	195-200	-	8,200	-	205-210
Adrian Hanstock	155-160	-	4,600	35	190-195
Mark Newton⁷	5-10	1	-	-	5-10
Stephen Thomas⁸	115-120	-	8,800	-	125-130
Simon Downey	115-120	-	-	32	145-150
Robin Smith	115-120	-	-	-	115-120
Alun Thomas⁹	95-100	2	1,300	26	125-130
Paul Brogden¹⁰	100-105	-	-	-	100-105
Alistair Cook¹¹	130-135	2	-	29	160-165
Tracey Martin¹²	-	-	-	-	-
Rachael Etebar¹³	-	-	-	-	-
Charlie Doyle¹⁴	-	-	-	-	-
Sean O'Callaghan¹⁵	-	-	-	-	-

⁸ Stephen Thomas retired on 14 May 2018. Full year equivalent is £115,000-£120,000.

⁹ Alun Thomas ended his temporary ACC role on 31 January 2018. Full year equivalent salary is £80,000-£85,000.

¹⁰ Paul Brogden ended his temporary ACC role on 20 September 2017. Full year equivalent salary is £90,000-£95,000.

¹¹ Alistair Cook's term as Finance Director ended on 27 July 2018. Full year equivalent salary is £130,000-£135,000.

¹² Tracey Martin began her term as Finance Director on 30 July 2018. Full year equivalent salary is £125,000 -£130,000.

¹³ Rachael Etebar's term as Director of People & Culture began on 13 August 2018. Full year equivalent salary is £130,000-£135,000.

¹⁴ Charlie Doyle was seconded to BTP from Surrey Police Authority from 19 September 2017 until September 2018. The costs for this secondment for 2017/18 were £74,294. Since 20 September 2018, Charlie became a permanent employee. The full year equivalent salary is £120,000-£125,000.

¹⁵ Sean O'Callaghan began his term as ACC on 25 June 2018. Full year equivalent salary is £110,000-£115,000.

Salary

Salary includes reference salary, overtime, London weighting and/or London allowances, reserved rights to housing allowance and any other allowance to the extent that it is subject to UK taxation. It does not include amounts that are a reimbursement of expenses directly incurred in the performance of an individual's duties.

Bonus payments

BTPA does not ordinarily operate a bonus scheme.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. The benefits in kind received include healthcare, use of vehicle and other travel benefits. Pension contributions made by the employer are treated as a benefit in kind.

Performance pay

A performance management regime is in place, where objectives for the Chief Officer Group are agreed by the BTPA. The performance development reviews are initiated at the year-end by the Chief Constable for the Chief Officer Group and the Chief Executive Officer for the BTPA's Executive. The BTPA Chair assesses the Chief Constable and BTPA Chief Executive Officer against defined objectives. These are assessed by the Police Authority's Appointments and Remuneration Committee. The only opportunity for performance related pay progression is for Assistant Chief Constables (and civilian equivalents), who progress through a salary scale when their performance is assessed as satisfactory or exceptional. The Chief and Deputy Chief Constables receive a salary on a set rate.



Pay Multiples (Audited)

Authority Officers	2018/19 £'000	2017/18 £'000
Band of highest paid senior officer (including bonus and benefits in kind)	£210k-£215	£205k-£210
Median Total Remuneration	£35,450	£34,502
Ratio	6.2	6.0

BTPA is required to disclose the relationship between the remuneration of the highest paid Senior Officer and the median remuneration of BTPA's workforce.

The banded remuneration of the highest paid senior officer in the 2018/19 financial year was £210k-£215k (2017/18: £205-£210k). This is the Chief Constable and Additional Accounting Officer for BTPA. This was 6.0 times (2017/18: 6.0 times) the median remuneration of the workforce, which was £35,450 (2017/18: £34,502).

In 2018/19 no employees (2017/18: no employees) received remuneration in excess of the highest paid Senior Officer. The remuneration of employees ranged from £16,662 to £194,525 (2017/18: £16,336 to £206,587).

Total remuneration includes salary, non-consolidated performance related pay, benefits in kind and severance payments. It does not include benefits in kind relating

to safeguarded travel as this only affects a small proportion of total employees and does not affect the median. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Pension benefits

Railways pension scheme – Authority and BTP support staff

Pension benefits are provided for Authority and BTP support staff through the Railways Pension Scheme British Transport Police Shared Cost Section. This is a registered pension scheme and intended to be a fully funded scheme which provides benefits on a "final salary" at a normal retirement age of 60. Benefits accrue at the rate of 1/60th of final average pay (less 1/40th of the final average basic state pension) for each year of pensionable service. In addition, a lump sum equivalent to 1/40th of final average pay for each year of service is payable

on retirement. Members currently pay contributions of 10.06% of pensionable pay (less 1.5 times the basic state pension). Pensions in payment and deferment are increased in line with Orders made under the Pensions (Increase) Act 1971.

On death, pensions are payable to the surviving spouse at the rate of half the member's pension. On death in service the scheme pays a lump sum death benefit of four times final average pay and also provides a service enhancement on computing the spouse's pension, which depends on length of service.

Medical retirement is possible in the event of serious ill-health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow or widower pensions.

British Transport Police Force Superannuation Fund – Police Officers

Pension benefits are provided for Police Officers through the British Transport Police Force Superannuation Fund. This is a registered pension scheme and intended to be a fully funded scheme which provides benefits on a "defined benefit" basis. There are three benefit structures in place for members which vary according to whether they joined the Fund before 1 April 2007, between 1 April 2007 and 31 March 2015, or after 31 March 2015. Prior to 1 April 2015, members earned benefits on a "final salary" structure, whilst joiners from 1 April 2015 are able to join a Career Average Revalued Earnings ("CARE") benefit structure. For all benefit structures, BTPA pays 60% of the total annual cost of accruing new benefits, with members paying the remaining 40%.

For members who joined before 1 April 2007, benefits can be taken unreduced from age 55 (except where members have a 'protected' pension age). Benefits accrue at the rate of 1/45th of final average salary (less 1/30th of final average basic state pension) for each year of beneficial membership. In addition, a lump sum equivalent to 1/30th of final average salary for each year of

beneficial membership is payable on retirement. Members currently pay contributions of 16% of pensionable earnings (less 1.5 times the basic State Pension). Pensions in payment and deferment are increased in line with orders made under the Pensions (Increase) Act 1971.

For Fund members who joined between 1 April 2007 and 31 March 2015, benefits can be taken unreduced from age 55 (except where members have a 'protected' pension age) if retiring from active service and age 65 if retiring having left BTPA. Benefits accrue at the rate of 1/70th of final average salary for each year of service. In addition, a lump sum equivalent to 4/70th of final average salary for each year of service is payable on retirement. Members currently pay contributions of 12% of pensionable salary. Pensions in payment and deferment are increased in line with orders made under the Pensions (Increase) Act 1971.

For members who joined from 1 April 2015 the normal retirement age from active service is 60 and for retirement, having left BTPA's employment, it is 65. Benefits accrue at the rate of 1/55.3 of pensionable salary for each year of active service, with a revaluation rate for active members based on Consumer Price Inflation plus 1.25% per annum. No separate cash benefit accrues, although members

have the option to exchange some pension for cash (in accordance with HMRC rules), on terms agreed between the Trustee and BTPA from time to time. Members currently pay 10% of pensionable salary. Pensions in payment and deferment are increased in line with orders made under the Pensions (Increase) Act 1971.

On death, pensions are payable to the surviving spouse or eligible dependant at the rate of half the member's pension. Pensions are also available for members' children. Survivors' pensions may not be payable in respect of members who joined after 1 April 2007 if they have less than two years' service. On death in service the Fund pays a lump sum death benefit of four times pensionable salary and also provides a service enhancement on computing the spouse's pension, which depends on length of service.

Medical retirement is possible in the event of incapacity. In this case, pensions are brought into payment immediately without actuarial reduction. If the member is unable to work in any capacity (not only as a Police Officer) they may be granted an enhanced pension at the Trustees' discretion.



Cash equivalent transfer value

A Cash Equivalent Transfer Value ("CETV") is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

CETVs are calculated by the Trustee in line with legislation and actuarial advice.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to another pension scheme.

The increase in CETV effectively funded by the employer is shown. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) utilising commonly used standard market valuation factors for the start and end of the year.

Pension Benefits (Audited)

Officials	Accrued values at pension age as at 31/03/19		Real increase values at pension age		CETV at 31/03/18	CETV at 31/03/19	Real increase in CETV
	Pension	Lump sum	Pension	Lump sum			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000

Authority Members

Authority Members are not eligible to join the scheme

Authority Officers

Charlotte Vitty	5-10	5-10	0-2.5	0-2.5	59	81	22
Ian Pigden-Bennett	0-5	0-5	0-2.5	0-2.5	-	17	17
Sarah McGarel	0-5	0-5	0-2.5	0-2.5	-	15	15
Shahida Nasim	0-5	0-5	0-2.5	0-2.5	20	22	2

Chief Officer Group

Adrian Hanstock	10-15	5-10	0-2.5	0-2.5	144	195	51
Simon Downey	5-10	5-10	0-2.5	0-2.5	115	151	36
Alistair Cook	0-5	0-5	0-2.5	0-2.5	57	71	14
Sean O'Callaghan	0-5	0-5	0-2.5	0-2.5	-	18	18
Rachael Etebar	0-5	0-5	0-2.5	0-2.5	-	23	23
Tracey Martin	0.5	0.5	0-2.5	0-2.5	-	18	18
Paul Brogden	40-45	170-175	0-2.5	0-2.5	513	547	34
Alun Thomas	0-5	15-20	0-2.5	0-2.5	43	46	3

Paul Crowther Opted out of scheme 04-04-2012

Stephen Thomas Retired from scheme 02-07-2012

Mark Newton Opted out of scheme 14-09-2015

Robin Smith Not a member of the scheme

Charlie Doyle Not a member of the scheme

Staff Report

Total average number of persons employed (Audited)

	2018/19	2017/18
Permanently employed staff ¹⁰	5,011	5,044
Other staff ¹¹	61	43
Total	5,072	5,087

Total staff costs (audited) consist of:

	2018/19			2017/18
	Permanently employed staff	Other staff	Total	Total
	£'000	£'000	£'000	£'000
Salaries and wages	192,058	666	192,724	190,911
Social security costs	18,729	-	18,729	18,823
Other pension costs	77,924	-	77,924	75,470
Sub-total	288,711	666	289,377	285,204
Less recoveries in respect of outward secondments	(1,073)	-	(1,073)	(949)
Total net costs	287,638	666	288,304	284,255

Total expenditure on consultancy for 2018/19 is £566,797 (£1,312,666 in 2017/18) and total expenditure on temporary staff is £665,773 for 2018/19 (2017/18: £1,119,245).

¹⁰ Permanently employed staff are defined as staff with a permanent (UK) employment contract.

¹¹ Staff engaged on a temporary basis to meet the objectives of the entity



Reporting of civil service and other compensation schemes – exit packages (Audited)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
<£10,000	18	21	5	6	23	27
£10,000-£24,999	9	3	2	2	11	5
£25,000-£49,999	-	4	1	2	1	6
£50,000-£99,999	-	1	-	1	-	2
£100,000-£149,999	-	-	-	-	-	-
£150,000-£199,999	-	-	-	-	-	-
Total number of exit packages	27	29	8	11	35	40
Total value of packages (£'000)	205	394	81	161	286	555

There were 27 compulsory redundancies amounting to £205,000 in 2018/19 (29 in 2017/18 amounting to £394,000). There were a total of eight additional departures in 2018/19 amounting to £81,000 (11 in 2017/18 amounting to £161,000).

Redundancy and other departure costs have been paid in accordance with the contractual obligations of the employee contracts.

Staff composition

Number of persons of each gender who were employees of the entity as at 31 March 2019

	2018/19			2017/18		
	Male	Female	Total	Male	Female	Total
Authority Members	10	4	14	10	4	14
Authority Officers and Strategic Command Team	9	4	13	7	1	8
Remaining Staff	3,685	1,630	5,288	3,685	1,629	5,314
Total	3,677	1,638	5,315	3,702	1,634	5,336

Off-Payroll Engagements

Engagements reported in the below tables have been considered using HRMC's IR35 assessment tool. All engagements deemed to be out-of-scope of the legislation are referred for legal advice as part of the assurance process.

Off-payroll engagements as of 31 March for more than £245 per day and lasts for longer than 6 months for BTP and BTPA

	2018/19
Total engagements at the reporting date	5
Number of existing engagements that have existed for:	5
– less than 1 year at the reporting date	4
– between 1 and 2 years at the reporting date	1
– between 2 and 3 years at the reporting date	0
– between 3 and 4 years at the reporting date	0
– more than 4 years at the reporting date	0

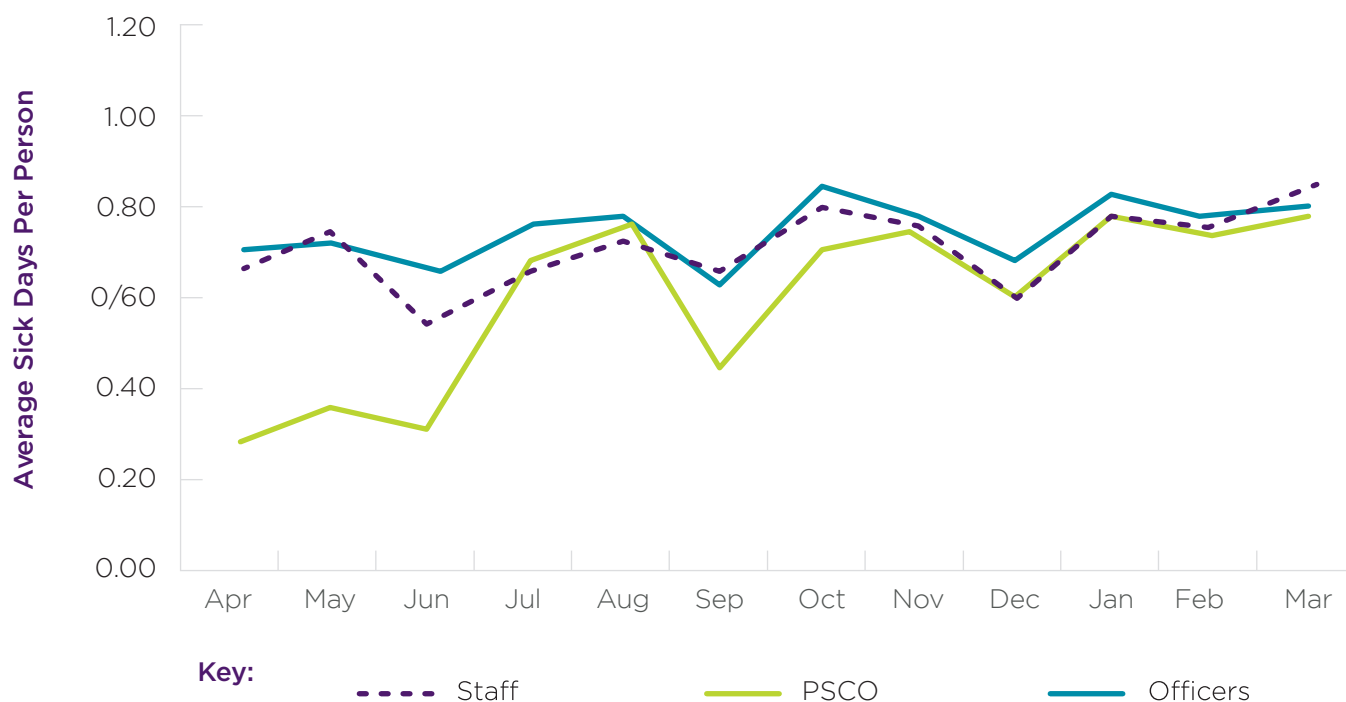
New off-payroll engagements, or those that reached 6 months duration, during the reporting period (BTP and BTPA)

	2018/19
Number of new engagements, or those that reached 6 months duration, during the reporting period	9
Number assessed in scope of IR35	8
Number assessed as out of scope of IR35	1
Number engaged directly (via a personal service company contracted to the organisation) and are on the organisation's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	9
Number of engagements whose IR35 status changed following reassessment	0

Off-Payroll Engagements of board members and/or, senior officials with significant financial responsibility between 1 April 2018 and 31 March 2019 for BTP and BTPA

	2018/19
Total no. of individuals that have been deemed 'board members', and/or, senior officials with significant financial responsibility', during the financial year. This figure includes both on-payroll and off-payroll engagements.	11
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility during the financial year	0

Sickness absences



For the year 2018/19 we averaged 8.5 days sickness per person. This was a small improvement on the 8.9 days average in 2017/18. Sickness and attendance management remains a key focus for all, with a view to support employees' wellbeing and maximise attendance at work.

Trade Union Facility Time

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017 (Statutory Instrument 328) British Transport Police had 23 full time equivalent members of staff who were union officials during the period. Time spent on union activities equated to 100% of the total working time for the 2 of the individuals, and 1%-50% for the remaining 21. 0.038% of BTP's total pay bill of £220,794k is spent on facility time. A total of 0.72% paid time off was given for trade union activities for which there was no statutory right for paid time off. This equates to a pay value of £7k.

Engagement with employees

The following staff associations are recognised by BTP:

- British Transport Police Federation
- Superintendents' Association
- Transport Salaried Staff Association.

The following support groups operate in BTP:

- Ability Network (Disability Support)
- Association of Muslim Police
- Christian Police Association
- Female Police Association
- LGBT+ Support Network (Lesbian, Gay, Bisexual and Transgender Support)
- National Police Autism Association
- Support Association for Minority Ethnic staff

Employees also have access to the Jewish Police Association, National LGBT Police Association and Gypsy Roma Traveller Police Association.

Disability management

British Transport Police enforces the Guaranteed Interview Scheme for disabled applicants, both internal and external, which will guarantee them an interview providing that the applicant meets the minimum criteria for the job for which they are applying. BTP also has a process in place to facilitate consultation with the Occupational Health Department and the Head of Inclusion and Diversity to ensure that all appropriate reasonable adjustments, including the use of adaptive software, alternative and/or more accessible environments and flexible or agile working arrangements are considered on a case by case basis.

H Ind

Accounting Officer
Date 04 July 2019

P Crowther

Additional Accounting Officer
Date 04 July 2019

Parliamentary Accountability and Audit Report

Regularity of expenditure:

Losses and Special payments

	2018/19	Restated 2017/18
Total number of losses and special payments	183	85
Total value of losses and special payments	£955,872	£797,083
Losses statement		
Number of losses	23	13
Value of losses	£24,608	£248,713
Special payments statement		
Number of special payments	161	72
Value of special payments	£931,264	£548,370

A total of £859,030 (2017/18 £483,370) was paid to settle legal claims from former employees and the public. There was no individual payment in excess of £300,000.

Special payments

There have been a number of civil service and other compensation schemes which have been disclosed in the remuneration report.

The Certificate And Report Of The Comptroller And Auditor General To The Houses Of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of British Transport Police Fund for the year ended 31 March 2019 under the Railways and Transport Safety Act 2003. The financial statements comprise: the Statements of Comprehensive Income, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of British Transport Police Fund's affairs as at 31 March 2019 and of the net deficit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Railways and Transport Safety Act 2003 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the British Transport Police Fund in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the BTPA and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, BTPA and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Railways and Transport Safety Act 2003.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the British Transport Police Fund's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the British Transport Police Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Other Information

BTPA and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, other than the parts of Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Railways and Transport Safety Act 2003;
- in the light of the knowledge and understanding of the British Transport Police Fund and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date 9 July 2019

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP







Financial Report

3

Statement of comprehensive income

For the year ended 31 March 2019

		31 March 2019	31 March 2018
	Note	£'000	£'000
Income			
Police Service Agreement	6	237,587	228,866
Other Income	6	65,602	64,692
		303,189	293,558
Expenditure			
Staff costs	7	(288,304)	(284,255)
Depreciation and amortisation	8, 9, 10	(14,244)	(13,813)
Other expenditure	8	(56,265)	(51,594)
		(358,813)	(349,662)
Operating deficit		(55,624)	(56,104)
Net interest receivable		93	34
Net interest payable for pension schemes	23	(17,730)	(19,100)
Net deficit for the financial year		(73,261)	(75,170)
Other comprehensive income			
Items that will not be reclassified:			
Net gain/(loss) on revaluation of non-current assets	22	1,300	731
Actuarial gains/(losses) on defined benefit pension schemes	22	9,540	126,570
		10,840	127,301
Total comprehensive (deficit)/surplus for the year ended 31 March 2019		(62,421)	52,131

The net deficit for the financial year is transferred to reserves. Movements in reserves are set out in Note 22. All operations are classed as continuing; there were no material acquisitions or disposals during the year.

Statement of financial position

as at 31 March 2019

	Note	31 March 2019 £'000	31 March 2018 £'000
Non-current assets			
Property, plant and equipment	9	42,216	42,223
Intangible assets	10	7,203	9,741
Total non-current assets		49,419	51,964
Current assets			
Inventories	12	866	1,154
Trade and other receivables	13	19,635	17,868
Cash and cash equivalents	14	38,870	38,013
Total current assets		59,371	57,035
Total assets		108,790	108,999
Current liabilities			
Trade and other payables	15	(41,267)	(44,587)
Provisions for liabilities and charges	16	(8,228)	(4,738)
Total current liabilities		(49,495)	(49,325)
Non-current assets plus net current assets		59,295	59,674
Non-current liabilities			
Pension liabilities	23	(781,607)	(719,790)
Other payables	15	(745)	(873)
Total non-current liabilities		(782,352)	(720,663)
Assets less liabilities		(723,057)	(660,989)
Taxpayers' net deficit for the year			
Income and expenditure reserve	22	54,307	55,858
Revaluation reserve	22	4,243	2,943
Pension reserve	22,23	(781,607)	(719,790)
		(723,057)	(660,989)

The financial statements on pages 76 to 115 were approved by the Authority on 20/06/19 and were signed on its behalf by:



H Ind
Accounting Officer
Date 04 July 2019



P Crowther
Additional Accounting Officer
Date 04 July 2019

Statement of cash flows

For the year ended 31 March 2019

	Note	2018/19 £'000	2017/18 £'000
Cash flows from operating activities			
Net deficit for the financial year		(73,261)	(75,170)
Less non-cash adjustments			
(Profit)/Loss on disposal of non-current assets	8	10	207
(Increase)/Decrease in trade and other receivables	13	(1,767)	8,853
(Increase)/Decrease in inventories	12	288	(153)
Increase/(Decrease) in trade payables	15	(3,448)	14,391
Increase/(Decrease) in provisions	16	3,490	(68)
Depreciation of property, plant and equipment	9	11,117	10,751
Amortisation of intangible assets	10	3,127	3,062
IAS 19 Pension adjustment	23	53,627	51,570
Net interest payable for pension schemes	23	17,730	19,100
Less cash item classified elsewhere within statement of cash flows		(93)	(34)
Net cash flow from operating activities		10,820	32,509
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(9,827)	(8,700)
Purchase of intangible assets	10	(303)	(1,638)
Proceeds from disposal of assets		74	68
Interest paid/(received)		-	-
Net cash flow from investing activities		(10,056)	(10,270)
Cash flows from financing activities			
Interest received		93	34
Net cash flows from financing activities		93	34
Net decrease in cash and cash equivalents in the period		857	22,273
Cash and cash equivalents at the beginning of the period		38,013	15,740
Cash and cash equivalents at the end of the period		38,870	38,013

Statement of changes in taxpayers' equity

For the year ended 31 March 2019

		Income and expenditure reserve	Revaluation reserve	Pension reserve	Total reserves
	Note	£'000	£'000	£'000	£'000
Balance at 01 April 2017		60,063	2,212	(775,690)	(713,415)

Changes in taxpayers' equity 2017/18

Net gain/(loss) on revaluation of property, plant and equipment and intangible assets	9,10,22	-	1,026	-	1,026
Actuarial Gains/(Losses)	22	-	-	126,570	126,570
Net deficit for the year	22	(75,170)	-	-	(75,170)
Transfer to/from Reserves	9,10,22	70,965	(295)	(70,670)	-
Excess of pension expense charged in year over employer pension contributions	23	-	-	-	-
Balance at 31 March 2018		55,858	2,943	(719,790)	(660,989)

Changes in taxpayers' equity 2018/19

Net gain/(loss) on revaluation of property, plant and equipment and intangible assets	9,10,22	-	1,653	-	1,653
Actuarial Gains/(Losses)	22	-	-	9,540	9,540
Net deficit for the year	22	(73,261)	-	-	(73,261)
Transfer to/from Reserves	9,10,22	71,710	(353)	(71,357)	-
Excess of pension expense charged in year over employer pension contributions	23	-	-	-	-
Balance at 31 March 2019		54,307	4,243	(781,607)	(723,057)

Notes to the Accounts

1. General

The accounts represent single entity accounts for the British Transport Police Fund, which is the statutory entity representing in financial terms both the BTP Authority and Force. No entities over which the British Transport Police Fund exercises control have been identified and therefore no consolidated accounts have been prepared.

The presentational currency for the accounts is the pound sterling. Except where otherwise stated amounts are rounded to the nearest £1,000.

2. Statement of accounting policies

These financial statements have been prepared in accordance with the 2018/19 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the British Transport Police Authority (the BTPA or the Authority) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Authority for 2018/19 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

2.1 Accounting convention

These accounts have been prepared under the historic cost convention modified to account for the revaluation of non-current assets.

2.2 Going concern

These accounts have been prepared on a going concern basis, notwithstanding the substantial negative taxpayers' equity.

The negative equity arises because of the BTPA's substantial net liabilities relating to defined benefit pension schemes. As disclosed in Note 23 and the Directors' Report, contributions to the schemes are based on periodic actuarial valuations, including contributions for any past service deficit. The income receivable under Police Service Agreements and from Transport for London (TfL) is calculated to include such contributions. The BTPA has therefore determined that it can continue to meet its liabilities as they fall due and it is appropriate to prepare its accounts on a going concern basis.

2.3 New accounting standards issued

A number of new standards, amendments to existing standards and interpretations have been adopted in preparing these financial statements.

IFRS 9 – Financial Instruments, issued in July 2014, has been implemented for accounting periods commencing on or after 1 January 2018. Adoption has had no impact on the accounts compared to the prior approach (IAS39) since, while classifications have been renamed, underlying approaches to measurement of financial assets and liabilities held by the Fund are unchanged. Other than cash, these principally represent receivables and payables, all of which are short-term instruments held in the normal course of the Fund's business with negligible divergence between their carrying values and fair values.

IFRS 15 – Revenue from Contracts with Customers, issued in May 2014, has been implemented for accounting periods commencing on or after 1 January 2018. Adoption has had an immaterial impact on the accounts. For Police Service Agreements (PSA), income is recognised evenly. For Enhanced Police Service Agreements (EPSA) the revenue is recognised as the performance obligations are fulfilled.

The majority of the BTPA income is derived from Police Service Agreements (PSA) and Enhanced Police Service Agreements (EPSA).

PSAs are in accordance with the Railways and Transport Safety Act 2003, and set out the obligations for both the Authority and the rail operator. Rail operators are legally required to hold a PSA. Charges are based on the annual policing plan which is devised in consultation with stakeholders.

EPSAs exist where a rail operator requests an additional service alongside a PSA or to tackle a specific issue. The rail operator will be charged the full cost of providing the EPSA. The costs are charged in year, in line with the service provided as the performance obligations are met. As EPSAs are in place for a pre-determined period and are invoiced according to the level of resource provided, the adoption of IFRS 15 has an immaterial impact on these contracts.

2.4 New accounting standards issued but not adopted

IFRS 16 - Leases, issued in January 2016, is due for implementation for accounting periods commencing on or after 1 January 2019. For lessees, IFRS 16 (and the FReM adaptation of the standard) removes the option to treat lease contracts as operating leases, except where these are of a low value or for a period less than 12 months. Instead, where a contract or legislation contains a lease, a right of use asset and corresponding liability is recognised. As the BTPA has significant operating lease expenditure, adoption of the standard is likely to have a significant impact on the accounts, increasing both assets and liabilities and advancing the recognition of expenditure. Subject to discounting, the operating lease commitments of £53,478k disclosed at note 19 provide a reasonable guide to assets and liabilities which will be brought into the financial statements at implementation. The timing of implementation is at the discretion of HM Treasury, who are yet to make a final determination. The profile of expenditure associated with the imputed interest on the new finance lease liability, and depreciation of the asset, will create a different profile for lease costs compared to the straight line basis currently used for those which will be reclassified, though the annual effect of this is expected to be immaterial.

2.5 Property, plant and equipment

Property, plant and equipment includes improvements and capital works to leasehold buildings, plant and machinery, Information Technology (IT) equipment, fixtures and fittings, and road vehicles required for the on-going operations of the BTP. All expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised, subject to a minimum monetary limit of £1,000, on an accruals basis in accordance with IAS 16 - Property, plant and equipment. These non-current assets are recognised initially at cost, which comprises purchase price (including non-recoverable Value Added Tax (VAT)) and any costs of bringing assets to the location and condition necessary for them to be capable of operating in the manner intended. Following recognition, PPE is revalued and restated to current value each year using the relevant modified historic costing indices from the Office for National Statistics (ONS).

Internal staff costs that can be attributed directly to the construction of an asset, including capital renewal schemes, are capitalised. This includes staff on the Authority's payroll specifically working on capital projects.

BTPA operates a grouping policy on the purchase of property, plant and equipment. This means that when several items of a capital nature are purchased together and the combined cost is greater than £1,000, they are capitalised even if the individual items have a cost of less than £1,000.

Expenditure falling below these values is charged as an expense in the statement of comprehensive income (SoCI).

BTPA derecognises assets with nil net book value when they are withdrawn from use and no future economic benefits are expected from their disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount and is recognised in SoCI.

2.6 Assets under construction

Assets under construction reflects capital projects still in progress and not yet available for use and is measured to historic cost and subject to an annual impairment review.

2.7 Depreciation

Depreciation is provided on a straight-line basis over periods representing the estimated useful lives of assets. Assets start to be depreciated the month after they are deemed to be available for use.

The lives used for the major categories of assets are:

- Leasehold improvements – Number of years remaining on the lease at time of purchase
- Plant and machinery – 5 years
- Fixtures and fittings – 5 years
- Information technology – 5 years
- Road vehicles – 5 years

No depreciation is provided on assets under construction.

2.8 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are capitalised if it is probable that the expected future benefits attributable to them will flow to the Authority and if their cost can be measured reliably. Computer software and licences, the wide area network project and expenditure on website development are capitalised as intangible fixed assets where expenditure of £1,000 or more is incurred.

The BTPA operates a grouping policy on the purchase of Intangible assets. This means that when several items of a capital nature are purchased together and the combined cost is greater than £1,000, they are capitalised even if the individual items have a cost of less than £1,000.

Internally developed intangible assets, such as application software or databases, expenditure on development in connection with a product or service, which is to be supplied on a full cost recovery basis, and other development expenditure is capitalised if it meets the criteria specified in IAS 38 – Intangible Assets. These criteria include that there is an identifiable asset that will produce future benefits and if the cost can be determined reliably.

Intangible assets are initially measured at cost. Following recognition, intangible assets are revalued and restated annually, where appropriate, using indices from the ONS. Intangible assets are amortised on a straight-line basis over a five year useful economic life.

The BTPA derecognises assets with when they are withdrawn from use and no future economic benefits are expected from their disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount and is recognised in SoCI.

2.9 Disposals

Depreciation is charged up to the date on which the asset is disposed. Any gains or losses on the eventual disposal of property, plant and equipment are recognised in the SoCI when the asset is derecognised.

2.10 Impairment of non-financial assets

For the purpose of impairment testing, property, plant and equipment and intangible assets are looked at on an individual basis. Where this is not possible, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units.

At the end of each reporting period, the BTPA reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the BTPA estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the SoCI.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the SoCI.

2.11 Income

Income is recognised as the performance obligations are fulfilled. Operating income relates directly to the operating activities of The British Transport Police and is therefore recognised in the SoCI. It includes any income due under the terms of the Police Service Agreements under the Railways and Transport Safety Act 2003. It comprises mainly of contributions for services provided to customers and recovery of costs from other government departments. Income receivable under Enhanced Police Service Agreements (EPSA) and the London Underground Agreement is recognised as the performance obligations are fulfilled. As EPSAs are in place for a pre-determined period and are invoiced according to the level of resource provided, the adoption of IFRS 15 has an immaterial impact on these contracts.

2.12 Leases

A lease is an agreement whereby the lessor conveys the right to use an asset for an agreed period in return for payments. At their inception, leases are classified as operating or finance leases. If a lease conveys substantially all the risks and rewards of ownership to the lessee (such as transfer of title, the lease term covering the major part of the asset's life, or the lease payments are substantially all of the fair value of the leased asset), it is classified as a finance lease. Otherwise, it is classified as an operating lease. Where a lease covers the right to use both land and buildings, the risks and rewards of the land and the buildings are considered separately. Land is assumed to be held under an operating lease unless the title transfers to the Authority at the end of the lease. The assessment is made at the inception of the lease, except in the case of leases pre-existing the transition to IFRS, when the assessment is made as at that date.

Arrangements whose fulfilment is dependent on the use of a specific asset or which convey a right to use an asset, are assessed at their inception to determine if they contain a lease. If an arrangement is found to contain a lease, that lease is then classified as an operating or finance lease. Transactions involving the legal form of a lease, such as sale and leaseback arrangements, are accounted for according to their economic substance.

Rentals under operating leases are charged to the SoCI on a straight-line basis over the term of the lease. Where the arrangement includes incentives, such as rent-free periods, the value is recognised on a straight-line basis over the lease term. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The interest element of the finance lease payment is charged to the SoCI over the period of the lease at a constant periodic rate in relation to the balance outstanding.

BTPA has a number of operating leases in respect of property. Rentals under operating leases are charged to the SoCI in the period in which they are incurred. Where the arrangement includes incentives, such as rent-free periods, the value is recognised on a straight-line basis over the term of the lease. The BTPA currently holds no finance leases.

Finance leases, which transfer to the BTPA substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included on the fixed asset register and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the SoCI in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the useful economic life of the equivalent owned asset.

2.13 Provisions

The Authority makes provision for liabilities and charges in accordance with IAS 37 - Provisions, where at the end of the current reporting period, a legal or constructive liability (i.e. a present obligation from past events) exists, the transfer of economic benefits is probable, and a reasonable estimate can be made.

Provisions for liabilities are based on reliable estimates of the expenditure required to settle future legal or constructive obligations that exist. Provisions are charged to the SoCI and released when the transfer of economic benefit to settle the obligation is made. The key provisions outstanding at year end were claims against the Authority, dilapidations and rent reviews.

2.14 Contingent liabilities

In accordance with IAS 37, the Authority discloses contingent liabilities for potential future obligations arising from past events, where the existence of such obligations remains uncertain pending the outcome of future events outside of the Authority's control, unless their likelihood is considered to be remote.

2.15 VAT

Most of the activities of the BTPA are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Input VAT on non-statutory services is recoverable. Irrecoverable VAT is charged to the relevant expenditure category or, if appropriate, capitalised with additions to non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

2.16 Interest payable / receivable

Interest payable is accrued so that the period bears the full cost of interest relating to actual borrowings during that period.

Interest receivable is accounted for in the period in which it is due.

2.17 Inventories

Inventories is primarily made up of uniforms. Inventory is stated at the lower of cost or net realisable value.

2.18 Impairment of financial assets

All bad and doubtful debts are reviewed on a case by case basis to assess the likelihood of recovery actions being successful. Each assessment takes into account the nature of the debt, payment record of the debtor, whether they have been or are in dispute with the Authority and any other appropriate information. If it appears that a debtor has been charged incorrectly, then this amount will be put back into the charging model and the cost will recharged out correctly.

2.19 Cash and cash equivalents

For the purposes of the statement of cashflows (SoCF), cash includes cash in hand and deposits on call at financial institutions. The BTPA does not currently hold any items that meet the definition of cash equivalents such as short-term highly liquid investments.

2.20 Staff costs

Benefits payable during employment

An accrual is made to represent the cost of holiday entitlement and time off in lieu earned but not taken at each year end.

Benefits payable after employment

Police officers and civilian staff are members of defined benefit pension schemes as disclosed in Note 23.

For each scheme, the BTPA recognises a net pension liability for the difference between the present value of the defined obligation and the fair value of the scheme's assets as at that date. The defined benefit obligation is calculated separately for each scheme on an annual basis by independent actuaries, XPS Pensions Consulting Limited, using the projected unit credit method.

Actuarial gains and losses are recognised in full in the period in which they occur, and are taken to Other comprehensive income (OCI). Current and past service costs, along with the impact of any settlements or curtailments, are charged to income and expenditure. Interest on pension plans' liabilities are recognised as a finance expense in the SoCI.

2.21 Reserves

The BTPA operates:

- A revaluation reserve that represents the cumulative impact of upward/downward revaluations of property, plant and equipment; and
- A pension reserve that is equal to the net pension liability recognised in the financial statements.

The Income and Expenditure Reserve reported within the Statement of Financial Position (SoFP) comprises a number of separate reserves:

- Retained Earnings Reserve representing cumulative past operating surpluses and deficits;
- Capital Financing Reserve representing funds that are earmarked for investing in capital assets;
- Working Capital Reserve representing financing received from the Department of Transport (DfT) to ensure the liquidity of the Authority; and
- Contingency Reserve representing amounts set aside for unexpected events, such as major incidents and crimes.

Further details of the movements on these reserves are given in Note 22.

3. Critical accounting judgements

In applying the accounting policies set out above, the BTPA has identified one critical accounting judgement, namely the applicability of the going concern basis for the preparation of its accounts as discussed in Note 2.2 above. Furthermore, IFRS 15 requires judgement to ascertain when performance obligations are met.

4. Sources of estimation uncertainty

Key sources of estimation uncertainty

The accounts contain estimated figures that are based on assumptions made by the Authority about the future, or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the accounts for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- Property, plant and equipment – as a result of changes in assumptions about useful economic lives. Any reduction in useful economic lives would reduce the assets and increase expenditure;
- Pension liabilities – as a result of assumptions on discount rates, pay increases and mortality. See further detail at Note 23;
- Pension assets – as a result of infrastructure valuation and untraded equities. See further detail at Note 23;
- Staff costs – as a result of changes in estimates for holiday pay and time off in lieu. Any increase in the estimates for these items would increase liabilities and expenditure;
- Impairment of receivables using the expected loss model – as a result of changes in potential recoverability of receivables. Any increase in the estimate for these items would decrease assets and increase expenditure.

5. Segmental analysis

The Authority operates as one class of business, that of policing the railways throughout England, Wales and Scotland, and undertakes that class of business in one geographical segment, Great Britain. BTP's structure is based on three Divisions. The three divisions are Division B (East, South of England and Transport for London), Division C (Pennine, Midlands, South West and Wales) and Division D (Scotland). Force headquarters based in Camden retains overall command of the Force's activity and houses central departments and functions. Whilst direct costs are monitored on a divisional basis, a large proportion of overhead expenditure is generated centrally. The majority of income is also generated and monitored centrally rather than on a divisional basis. Furthermore, assets and liabilities are not analysed in this way due to them not being reported internally on a segmental basis.

	2018/19	2017/18
	£'000	£'000
Divisions		
B Division	95,588	95,927
C Division	57,922	58,625
D Division	13,256	12,936
Remaining overheads	192,047	182,174
Total expenditure	358,813	349,662

6. Income

	2018/19	2017/18
	£'000	£'000
Police Service Agreement income	237,587	219,097
Other income		
London Underground Agreement income	42,937	50,956
Enhanced Police Service Agreement income	19,979	17,823
Smaller funding agreements	299	2,130
Other Income	2,277	673
Capital funding	110	-
Sub-total	65,602	64,692
Total	303,189	293,558

The British Transport Authority has a number of operating income streams. The amounts disclosed above are in line with billing schedules. The income streams can be categorised as follows:

6.1 Police Service Agreement

Under the Railways and Transport Safety Act 2003, the BTPA enters into a PSA with its customers in order to provide a policing service as specified in the agreement. In determining the customers' contribution, the Authority aims to ensure that its full annual costs are covered and uses a predetermined charging mechanism that is consistent with the Act and is in accordance with the customer's PSA.

The customer is normally referred to as the PSA holder.

6.2 Enhanced Police Service Agreements

Any additional services outside of the PSA holder's agreement are referred to an EPSA. The enhanced service is charged at full cost in accordance with the specific customer agreement.

6.3 London Underground Agreement

London Underground Agreement income is calculated separately from the PSA Charging Model. BTP negotiates policing requirements with London Underground charged at full cost.

6.4 Other Income

There are a number of smaller contract agreements with other government departments and external bodies. The income received from such customers fund specific initiatives that broadly relate to the prevention of crime and the protection of the wider society on the railway infrastructure. Of these smaller type contract agreements, contributors include Network Rail, TfL, the Home Office, the Home Office Asset Recovery Scheme (ARIS) and other smaller 3rd party contributors.

7. Staff numbers and related costs

For staff numbers and related costs please see the Remuneration report.

	2018/19 £'000	2017/18 £'000
	Total	Total
Total cost consist of:		
Salaries and wages	192,724	190,911
Social security costs	18,729	18,823
Other pension costs	77,924	75,740
Sub-total	289,377	285,747
Less recoveries in respect of outward secondments	(1,073)	(949)
Total net costs	288,304	284,525

8. Other expenditure

The deficit on ordinary activities before interest is stated after charging the following:

		2018/19	2017/2018
	Note	£'000	£'000
Staff related costs		5,727	4,182
Communications and computers		14,759	12,449
Operational expenses		3,483	3,241
Administrative expenses		1,969	1,964
Professional services		1,296	2,410
Legal and Insurance		2,795	1,425
Equipment purchases		2,264	2,565
Rentals under operating leases		8,832	8,609
Premises (excluding rentals under operating leases)		9,677	9,085
Transport costs		5,467	5,280
Other		(4)	384
Other expenditure		56,265	51,594
Depreciation of property, plant and equipment	9	11,117	10,751
Amortisation of intangible assets	10	3,127	3,062
Depreciation and amortisation		14,244	13,813
Total		70,509	65,407

During the year the Authority did not purchase any non-audit services from its auditor the Comptroller and Auditor General. Included in "Other" is a charge of £101k for auditor's remuneration for audit work related to 2018/19 (2017/18: £103k).

* Included within other expenditure is (profit)/loss on disposal of assets of £10k (2017/18 (£207k) and stock provision of £52k (2017/18 £116k). The remainder of the balance is made up of sundry items.

9. Property, plant and equipment

	Leasehold improve- ments	Plant and machinery	Motor Vehicles	Assets under construction – Motor Vehicles	Assets under construction – Other	Fixtures & fittings	IT equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
As at 1 April 2018	41,629	15,050	15,105	578	2,649	3,103	28,685	106,799
Additions	487	853	2,274	794	722	30	4,667	9,827
Disposals	-	-	(1,497)	-	-	-	-	(1,497)
Derecognition	-	-	-	-	-	-	-	-
Revaluations	744	136	170	-	-	23	294	1,367
Reclassifications	-	-	-	-	-	-	-	-
As at 31 March 2019	42,860	16,039	16,052	1,372	3,371	3,156	33,646	116,496
Depreciation								
As at 1 April 2018	21,217	10,779	10,098	-	-	2,519	19,963	64,576
Charged in year	3,145	1,556	2,135	-	-	279	3,649	10,764
Disposals	-	-	(1,413)	-	-	-	-	(1,413)
Derecognition	-	-	-	-	-	-	-	-
Revaluations	116	66	64	-	-	12	95	353
Reclassifications	-	-	-	-	-	-	-	-
As at 31 March 2019	24,478	12,401	10,884	-	-	2,810	23,707	74,280
Carrying amount as at 31 March 2019	18,382	3,638	5,168	1,372	3,371	346	9,939	42,216
Asset Financing								
Owned	18,382	3,638	5,168	1,372	3,371	346	9,939	42,216
Carrying amount as at 31 March 2019	18,382	3,638	5,168	1,372	3,371	346	9,939	42,216

9. Property, plant and equipment (continued)

	Leasehold improve- ments	Plant and machinery	Motor Vehicles	Assets under construction – Motor Vehicles	Assets under construction – Other	Fixtures & fittings	IT equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
As at 1 April 2017	41,434	17,460	14,771	-	-	3,347	26,876	103,888
Additions	387	629	1,185	578	2,649	41	3,231	8,700
Disposals	-	-	(946)	-	-	-	-	(946)
Derecognition	(683)	(3,130)	-	-	-	(299)	(1,560)	(5,672)
Revaluations	491	91	95	-	-	14	138	829
Reclassifications	-	-	-	-	-	-	-	-
As at 31 March 2018	41,629	15,050	15,105	578	2,649	3,103	28,685	106,799
Depreciation								
As at 1 April 2017	18,565	12,207	8,853	-	-	2,508	18,075	60,208
Charged in year	3,062	1,642	2,087	-	-	300	3,365	10,456
Disposals	-	-	(898)	-	-	-	-	(898)
Derecognition	(494)	(3,130)	-	-	-	(300)	(1,561)	(5,485)
Revaluations	84	60	56	-	-	11	84	295
Reclassifications	-	-	-	-	-	-	-	-
As at 31 March 2018	21,217	10,779	10,098	-	-	2,519	19,963	64,576
Carrying amount as at 31 March 2018	20,412	4,271	5,007	578	2,649	584	8,722	42,223
Asset Financing								
Owned	20,412	4,271	5,007	578	2,649	584	8,722	42,223
Carrying amount as at 31 March 2018	20,412	4,271	5,007	578	2,649	584	8,722	42,223

10. Intangible assets

Intangible assets comprise of software, software licences, the wide area network project and expenditure on website development.

	Licences	Software	Wide area network	Websites	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000

Cost

As at 31 March 2018	6,484	12,519	4,250	339	183	23,775
Additions	145	105	-	-	53	303
Derecognition	-	-	-	-	-	-
Revaluations	70	212	-	4	-	286
Reclassifications	-	-	-	-	-	-
As at 31 March 2019	6,699	12,836	4,250	343	236	24,364

Amortisation

As at 31 March 2018	4,259	5,291	4,250	234	-	14,034
Charged in year	830	2,252	-	45	-	3,127
Derecognition	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
As at 31 March 2019	5,089	7,543	4,250	279	-	17,161

As at 31 March 2019	1,610	5,293	-	64	236	7,203
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Asset financing:

Owned	1,610	5,293	-	64	236	7,203
As at 31 March 2019	1,610	5,293	-	64	236	7,203

10. Intangible assets (continued)

	Licences	Software	Wide area network	Websites	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000

Cost

As at 1 April 2017	6,039	11,781	4,404	329	30	22,583
Additions	705	740	-	10	183	1,638
Derecognition	(297)	(192)	(154)	-	-	(643)
Revaluations	37	160	-	-	-	197
Reclassifications	-	30	-	-	(30)	-
As at 31 March 2018	6,484	12,519	4,250	339	183	23,775

Amortisation

As at 1 April 2017	3,738	3,305	4,354	178	-	11,575
Charged in year	777	2,179	50	56	-	3,062
Derecognition	(256)	(193)	(154)	-	-	(603)
Revaluations	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
As at 31 March 2018	4,259	5,291	4,250	234	-	14,034

Owned	2,225	7,228	-	105	183	9,741
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Asset financing:

Owned	2,225	7,228	-	105	183	9,741
Owned	2,225	7,228	-	105	183	9,741

11. Financial instruments

BTP has contractual provisions to receive cash payments in return for providing a Policing service and for full cost recovery of BTP expenditure. The various BTP income streams relate to agreements covered by the PSA, EPSA, TfL (funding from London Underground), Network Rail, funding from other Transport Operating Contractors, specific income funding from the Home Office and ARIS.

Owing to the largely non-trading nature of its activities and the way in which the Authority is financed, the Authority is not exposed to the degree of financial risk faced by other entities. The Authority has limited powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Authority in undertaking its activities.

Liquidity risk

The Authority's net income and capital resource requirements are financed by resources from the BTP PSA holders, and other Government bodies. Therefore the Authority is not exposed to significant liquidity risks.

Interest rate risk

All of the Authority's financial assets and all of its financial liabilities carry nil or fixed rates of interest. The Authority is not therefore exposed to significant interest-rate risk.

Foreign currency risk

The Authority's exposure to foreign currency risk is not significant. Foreign currency income and expenditure is negligible.

Fair values

Set out below is a comparison by category of book values and fair values of the Authority's financial assets and liabilities.

	2018/19		2017/18	
	Book Value	Fair Value	Book Value	Fair Value
	£'000	£'000	£'000	£'000
Primary financial instruments				
Financial assets				
Cash at bank	38,870	38,870	38,013	38,013
Trade receivables	7,870	7,870	10,096	10,096
	46,740	46,740	48,109	48,109
Financial liabilities				
VAT payable	971	971	3,711	3,711
Other taxation & social security payables	2,819	2,819	3,062	3,062
Trade payables	2,928	2,928	297	297
	6,718	6,718	7,070	7,070

12. Inventories

	2018/19	2017/18
	£'000	£'000
Uniforms		
Opening balance	1,102	982
Additions	742	1,642
Utilisations	(1,030)	(1,396)
Provision	(52)	(126)
Closing balance	762	1,102
Other		
Opening balance	52	19
Returns	52	33
Provision	-	-
Closing balance	104	52
Total inventories	866	1,154

During the year the provision of inventories to net realisable value amounted to £52k (2017/18: £126k)

13. Trade receivables and other assets

	2018/19	2017/18
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	7,870	10,096
Other receivables	1,621	1,118
Prepayments and accrued income	10,144	6,654
Less: Impairment of receivables using expected loss model	-	-
Total	19,635	17,868
Amounts in the above figures due from other entities included in the whole of government accounts:		
Other central government bodies	283	1,168
Local authorities	7,464	9,801
Public corporations and trading funds	-	-
Intra-government debtors	7,747	10,969
Bodies external to government	11,888	6,899
Total	19,635	17,868

14. Cash and cash equivalents

	2018/19	2017/18
	£'000	£'000
Balance at 01 April	38,013	15,740
Net change in cash and cash equivalent balances	857	22,273
Balance at 31 March	38,870	38,013

The following balances at 31 March were held at:

Government banking service	107	109
Commercial banks and cash in hand	38,763	37,904
Balance at 31 March	38,870	38,013

15. Trade payables and other liabilities

	2018/19	2017/18
	£'000	£'000

Amounts falling due within one year:

VAT payable	971	3,711
Other taxation & social security payables	2,819	3,062
Trade payables	2,928	3,063
Other payables	1,505	7,278
Accruals & deferred income	33,044	27,473
Total	41,267	44,587

Amounts falling due after more than one year:

Other payables, accruals and deferred income	745	873
Total	42,012	45,460

Amounts in the above figures due to other entities included in the whole of government accounts:

Other central government bodies	5,935	9,308
Local authorities	1,646	6,685
Public corporations and trading funds	(81)	1
Intra-government payables and liabilities	7,500	15,994
Bodies external to government	34,512	29,466
Total	42,012	45,460

16. Provisions for liabilities and charges

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation as at year end. These provisions have been classified as current as they are expected to be realised within the 2019/20 financial period.

	Claims against the Authority	Employment tribunals	Dilapidations	Other provisions	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2017	1,194	240	2,001	1,371	4,806
Provided in the year	1,234	30	-	577	1,841
Provisions utilised during the year	(395)	(210)	(62)	(513)	(1,180)
Provisions written back in the year	(729)	-	-	-	(729)
Balance at 31 March 2018	1,304	60	1,939	1,435	4,738
Provided in the year	2,128	180	83	3,496	5,887
Provisions utilised during the year	(1,381)	(10)	(14)	(161)	(1,566)
Provisions written back during the year	(825)	-	-	(6)	(831)
Balance at 31 March 2019	1,226	230	2,008	4,764	8,228

Claims against the Authority

This provision applies to claims made by employees of the Authority/Force and members of the public, which were allegedly caused by the Authority's/Force's negligence and result in injury, loss or damage. The provision is created based on information provided on a regular basis by professional in-house staff and solicitors and is the estimated cost of settlement including legal costs for outstanding liabilities.

Employment tribunals

This provision is established on an individual case basis in conjunction with external legal advisers, relating to employment disputes, such as unfair dismissal and discrimination. The provision covers estimated costs of any settlement and any legal expenses.

Dilapidations

This provision applies to dilapidations of leasehold properties.

Other provisions

This relates to all other provisions and primarily includes costs relating to rental reviews and onerous leases.

17. Contingent Liabilities

There are currently on-going contractual disputes with third parties. Using the information present at the time of signing the Financial Statements, and having considered legal advice, the Authority has concluded on the balance of probabilities no outflow will occur as a result of these disputes. If this assumption changes by subsequent events, the BTPA does not consider its exposure to be material.

18. Capital commitments

As at 31 March 2019 the Authority had the following capital commitments:

	2018/19	2017/18
	£'000	£'000
Estates	9	294
Technology	699	175
Fleet	61	17
Other	-	1,023
Total BTP capital commitments	769	1,509

19. Commitments under leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

Obligations under operating leases for the following periods comprise:	2018/19	2017/18
	£'000	£'000
Buildings:		
Not later than one year	7,701	9,089
Later than one year and not later than five years	24,975	27,757
Later than 5 years	20,802	25,722
Total operating lease obligations	53,478	62,568

20. Other financial commitments

Other financial commitments and non-cancellable contracts that have been entered into by the Authority are detailed below:

Non-cancellable contracts for the following periods comprise	2018/19	2017/18
	£'000	£'000
Not later than one year	6,713	4,531
Later than one year and not later than five years	1,833	795
Later than 5 years	-	-
Total financial commitments	8,546	5,326

21. Related party transactions

The Authority is a non-departmental public body of the DfT. The DfT is regarded as a related party. During the year, the BTPA has had the following material transactions with the Department and with other entities for which the Department is regarded as the parent Department:

The Authority was invoiced £2k in 2018/19 (£3k in 2017/18) and there were no outstanding balances at year end (£nil in 2017/18). The Authority invoiced DfT for £608k in 2018/19 (£363k in 2017/18) and no amounts were outstanding at year end (£363k in 2017/18).

In addition, the BTPA has had a number of transactions with other government departments and other central government bodies. Most of these transactions have been with Network Rail. The Authority was invoiced for £1,853k (£1,276k in 2017/18) by Network Rail in 2018/19 and as at 31 March 2019 there was £178k outstanding (£107k at 31 March 2018). Network Rail was invoiced by the Authority for £91,001k in 2018/19 (£96,489k in 2017/18) and as at 31 March 2019 £812k was outstanding (£541k at 31 March 2018). All these amounts are payable and receivable within 30 days and not subject to interest.

Paul Crowther is a member of the Board of the National Police Chief's Council. The BTPA was invoiced £30k in 2018/19 (£30k in 2017/18) and there were no outstanding balances at year end (nil in 2017/18).

Due to its status as a national Police Force, the Authority often transacts with the Home Office. The Home Office is therefore regarded as a related party. The Authority invoiced the Home Office £107k (£1,668k in 2017/18) in the current financial year (£1,668k in 2017/18). At 31 March 2019 £27k was outstanding (£13k at 31 March 2018). The Home Office has invoiced the Authority for £1,393k (£362k in 2017/18) in the current financial year. At 31 March 2019 £65k was outstanding (£203k at 31 March 2018).

Senior Authority Officers are also required to disclose financial and other interests. Ian Pigden-Bennett, interim Chief Executive, is a shareholder in Serco Group Plc. The Authority were invoiced by Serco Group Plc for £5k (£10k in 2017/18) in the current financial year. No amounts were outstanding at year end (nil in 2017/18).

The corporate governance arrangements of the Authority require members to register financial and other interests and also to disclose personal or prejudicial interests where matters are discussed at meetings of the Authority. These interests are disclosed below:

Andrew Pollins is Transformation Director at Transport for London (TfL). Mark Phillips is also a member of the Transport for London Board. In the course of the year the Authority invoiced TfL for £73,358k (£81,863k in 2017/18) and was invoiced by TfL for £591k (£461k in 2017/18). As at 31 March 2019, £5,347k (£7,830k at 31 March 2018) was due from TfL. All these amounts are payable and receivable within 30 days and not subject to interest. For disclosure purposes transactions with London Underground Limited have been included in these values.

Dominic Booth is the Managing Director at Abellio Group UK. In the course of the year the Authority invoiced Abellio Group UK for £17,993k (£14,745k in 2017/18) and was invoiced by Abellio Group UK for £45k (£78k in 2017/18). As at 31 March 2019, £13k (£23k in 2017/18) was due from Abellio Group UK. As at 31 March 2019 nil (2017/18 £13k) was due to Abellio Group UK. All of these amounts are payable and receivable within 30 days and not subject to interest.

Dyan Crowther is the Chief Executive Officer at High Speed 1 (HS1). In the course of the year the Authority invoiced HS1 for £4,461k (£4,508k in 2017/18). As at 31 March 2019 no receivables were due to the Authority.

Dyan Crowther is also a Trustee of Railway Children. In the course of the year the Authority was invoiced by Railway Children for £10k (nil in 2017/18). No amounts were outstanding as at 31 March 2019.

Shrinivas Honap is a shareholder in Vodafone Plc. In the course of the year the Authority were invoiced for £831k (£381k in 2017/18). As at 31 March 2019, no amounts were outstanding (nil 2017/18) and due to Vodafone.

Jeremy Mayhew is Chairman of the City of London Finance Committee. The City of London Corporation is the Police Authority for the City of London Police. In the course of the year the Authority was invoiced for £9k (£8k in 2017/18). As at 31 March 2019, no amounts were outstanding (nil in 2017/18) and due to City of London Police.

22. Reserves

The distributable reserves are retained earnings, which also include the capital financing reserve, the working capital reserve and the contingency reserve. Undistributable reserves are made up of the revaluation reserve and the pension reserve.

	Distributable Reserves	Undistributable reserves		Total
	Retained Earnings	Revaluation reserve	Pension reserves	
	£'000	£'000	£'000	£'000
Opening balance at 01 April 2017	60,063	2,212	(775,690)	(713,415)
Gains/(losses) on revaluation of assets	-	1,026	-	1,026
Actuarial gain/(loss)	-	-	126,570	126,570
Comprehensive income for the year	(75,170)	-	-	(75,170)
Transfer between reserves	70,965	(295)	(70,670)	-
Balance at 31 March 2018	55,858	2,943	(719,790)	(660,989)
Opening balance at 01 April 2018	55,858	2,943	(719,790)	(660,989)
Gains/(losses) on revaluation of assets	-	1,653	-	1,653
Actuarial gain/(loss)	-	-	9,540	9,540
Comprehensive income for the year	(73,261)	-	-	(73,261)
Transfer between reserves	71,710	(353)	(71,357)	-
Closing balance at 31 March 2019	54,307	4,243	(781,607)	(723,057)

22. Reserves (continued)

Retained earnings/Distributable reserves

The Retained earnings reserves represent the BTP's cumulative past operating surpluses/deficits from the PSA charges levied to the PSA Holders. Operating losses are carried forward and surpluses are retained and reinvested in the core business and agreed specific initiatives.

Revaluation reserve

The Revaluation reserve represents the cumulative restatements of property, plant and equipment using the relevant modified historic costing indices from the ONS for the category of asset.

Pensions reserve

The pension reserve represents the reverse side of the pension liability reported within the SoFP.

23. Disclosure of retirement benefits

The pension costs (excluding administrative expenses, taxes and net interest) associated with staff employed by the Authority during the year totalled £75.39 million (2017/18: £74.06 million). In addition there was a net interest on the pension fund of £17.73 million (2017/18: £19.10 million), leaving a net debit in relation of pensions for the year of £93.12 million (2017/18: £93.16 million). The total net pension liabilities for all staff, past and present, are shown in the SoFP. These amount to £781.61 million (2017/18: £719.79 million) net of the fair value of plan assets. HM Treasury have confirmed that the charge or credit to the SoCI arising from IAS19 should be excluded from the calculation of the amount to be reclaimed from parties with PSAs with the Authority.

The fund participates in two pension schemes, both of which are the direct responsibility of the Authority. In addition, Railways Pension Investments Limited (RPMI) have a role in relation to the management and administration of the scheme. The schemes are the British Transport Police Force Superannuation Fund (BTPFSF) for police officers and the British Transport Police Section of the Railways Pension Scheme (RPS) for other staff. Both schemes cover past and present employees, and aim to be fully funded.

The information in the following disclosure has been taken from the IAS 19 pensions report provided by a third party actuary.

The net position of the schemes at 31 March 2019 were as follows:

	2018/19	2017/18
	£'000	£'000
Net pension liabilities		
British Transport Police Force Superannuation Fund	(641,527)	(601,260)
British Transport Police Section of the Railways Pension Scheme	(140,080)	(118,530)
	(781,607)	(719,790)

The amounts recognised in the SoCI are as follows:

Pension costs reflected in the SoCI		
Current Service cost – BTPFSF**	57,867	56,530
Current Service cost – RPS	17,520	17,530
Administrative expenses and taxes – BTPFSF	1,910	2,150
Administrative expenses and taxes – RPS	640	720
	77,937	76,930

IAS19 interest reflected in the SoCI		
Net Interest – BTPFSF	14,830	15,770
Net Interest – RPS	2,900	3,330
	17,730	19,100
Total amount recognised in the SoCI	95,667	96,030

* Government support payments have been excluded from the SoCI as they are eliminated from the IAS19 calculation of the overall cost of the pensions, and it is appropriate to include an assumption of Government support in the actuarial valuation of the pensions liability.

** Service cost includes current and past service costs. This amount includes an adjustment of £4.2 million for GMP equalisation

IAS 19 pension adjustment reported in the SoCF

Non cash elements related to the pension scheme are deducted from net expenditure as per the SoCF to show the BTPA's overall cash position. The IAS 19 interest cost is removed in full. The other adjustment for pension charges removes the difference between the pension costs other than interest reflected in the SoCI (as per the table below) and the employer contributions paid to the schemes in each year.

	Notes	2018/19 £'000	2017/18 £'000
BTPFSF			
Current service cost	23D	57,867	56,530
Administrative expenses and taxes	23D	1,910	2,150
		59,777	58,680
RPS			
Current service cost	23D	17,520	17,530
Administrative expenses and taxes	23D	640	720
		18,160	18,250
Total I&E expenses		77,937	76,930
Less employer contributions			
- Employer contributions BTPFSF	23B	18,260	19,440
- Employer contributions RPS (including BRASS* matching)	23B	6,050	5,920
Total employer contributions		24,310	25,360
Total IAS 19 pension adjustment reported in the SoCF		53,627	51,570

* British rail additional superannuation scheme (BRASS).

23. British Transport Police Force Superannuation Fund

A. Change in defined benefit obligation

	2018/19	2017/18
	£'000	£'000
Defined benefit obligation at end of the prior year	1,879,120	1,899,200
Current service cost	57,867	56,530
Interest expense	46,480	46,970
Cash flows		
– Benefits payments from plan	(52,260)	(52,830)
– Participant contributions	12,150	12,150
Remeasurements		
– Effect of changes in financial assumptions	89,400	(52,620)
– Effect on changes in demographic assumptions	(35,530)	(45,340)
– Effect of experience adjustments	(12,620)	15,060
Defined benefit obligation at end of year	1,984,607	1,879,120

B. Changes in fair value of plan assets

	2018/19	2017/18
	£'000	£'000
Fair value of plan assets at end of the prior year	1,277,860	1,259,430
Interest income	31,650	31,200
Cash flows		
– Employer contributions	18,260	19,440
– Government support payments	-	-
– Participant contributions	12,150	12,150
– Benefits payments from plan	(52,260)	(52,830)
– Administrative expenses paid from plan assets	(1,910)	(2,150)
Return on plan assets (excluding interest income)	57,330	10,620
Fair value of plan assets at end of year	1,343,080	1,277,860

C. Amounts recognised in the SoFP

	2018/19	2017/18
	£'000	£'000
Defined benefit obligation	1,984,607	1,879,120
Fair value of plan assets	(1,343,080)	(1,277,860)
Net liability	641,527	601,260

D. Components of defined benefit cost

	2018/19	2017/18
	£'000	£'000
Service cost		
– Current service cost	57,867	56,530
Total service cost	57,867	56,530
Net interest cost		
– Interest expense on defined benefit obligation	46,480	46,970
– Interest (income) on plan assets	(31,650)	(31,200)
Total net interest cost	14,830	15,770
Administrative expenses and taxes	1,910	2,150
Defined benefit cost included in the SoCI	74,607	74,450
Remeasurements (recognised in OCI)		
– Effect on changes in demographic assumptions	(35,530)	(45,340)
– Effect of changes in financial assumptions	89,400	(52,620)
– Effect of experience adjustments	(12,620)	15,060
– (Return) on plan assets (excluding interest income)	(57,330)	(10,620)
Total remeasurements included in OCI	(16,080)	(93,520)
Total defined benefit cost recognised in SoCI and OCI	58,527	(19,070)

The Authority expects the service cost for the year ending 31 March 2020 be £58.36 million (31 March 2019: £54.56 million).

E. Net defined benefit liability (asset) reconciliation

	2018/19	2017/18
	£'000	£'000
Net defined benefit liability (asset)	601,260	639,770
Defined benefit cost included in the SoCI	74,607	74,450
Total remeasurements included in OCI	(16,080)	(93,520)
Employer contributions	(18,260)	(19,440)
Net defined benefit liability (asset) as of end of year	641,527	601,260

The liability has increased from 2017/18, primarily based on the increase in inflation rate and mortality assumptions detailed in note 23H.

F. Defined benefit obligation

	2018/19	2017/18
	£'000	£'000
Defined benefit obligation by participant status		
- Actives	866,860	927,100
- Vested deferreds	113,200	91,610
- Retirees	1,004,550	860,410
Total	1,984,610	1,879,120

G. Plan assets

The Scheme invests in a number of multi-asset pooled funds, including a growth pooled fund and a defensive pooled fund. The breakdown of the funds is outlined below:

The 'other' category includes infrastructure, hedge funds, investments in long term income pooled funds, and investments in illiquid growth funds.

	2018/19	2017/18
	£'000	£'000
Fair value of plan assets		
- Cash and cash equivalents	119,820	114,450
- Equity instruments	593,360	568,740
- Debt instruments	268,230	299,200
- Real estate	103,850	100,270
- Derivatives	46,360	44,760
- Investment funds	-	-
- Other	211,440	150,440
Total	1,343,060	1,277,860

H. Significant actuarial assumptions

	2018/19	2017/18
Weighted average assumptions to determine benefit obligations		
Discount rate	2.35%	2.50%
Rate of price inflation (RPI)	3.20%	3.10%
Rate of price inflation (CPI)	2.20%	2.10%
Rate of increase in salaries	3.20%*	3.10%**
Rate of pension increases	2.20%	2.10%

* Allowance has been made for short term pay increases of 2% per year for the first 5 years after the measurement date . Then increases as stated above thereafter.

** Allowance has been made for short term pay increases of 2% per year for the first 4 years after the measurement date . Then increases as stated above thereafter.

At both measurement dates, a promotional scale is applied in addition to the rate of salary increases shown above.

Assumed life expectations on retirement at age 65	2018/19	2017/18
Retiring today - Males	21.3	21.8
Retiring today - Females	23.7	24.2
Retiring in 20 years time - Males	22.7	23.2
Retiring in 20 years time - Females	25.2	25.7

I. Sensitivity analysis

	2018/19	2017/18
	£ million	£ million
Net liability (asset), excluding any effect of asset limit		
Base	641.53	601.26
Discount rate		
- Discount rate -25 basis points	743.72	700.43
- Assumption	2.10%	2.25%
- Discount rate +25 basis points	540.66	509.48
- Assumption	2.60%	2.75%
Inflation rate		
- Inflation rate -25 basis points	545.03	513.65
- Assumption	1.95%	1.85%
- Inflation rate +25 basis points	738.42	695.40
- Assumption	2.45%	2.35%
Mortality		
- Mortality	695.07	651.97
- Assumption	Plus one year age rating	Plus one year age rating

Further details on sensitivity can be found in the table below:

	£ million		Sensitivities from Base Financial Year (FY) 2019 (one item changed with all other things held constant)				
Analysis of net SoFP	FY 2018	Base FY 2019	Minus 0.25% discount rate	Plus 0.25% discount rate	Minus 0.25% inflation rate	Plus 0.25% inflation rate	Mortality sensitivity
	1,277.86	1,343.08	1,343.08	1,343.08	1,343.08	1,343.08	1,343.08
	1,879.12	1,984.61	2,086.80	1,883.74	1,888.11	2,081.50	2,038.15
	601.26	641.53	743.72	540.66	545.03	738.42	695.07
	£ million		Sensitivities from Base FY 2019 (one item changed with all other things held constant)				
Analysis of projected pension cost	Actual FY 2018	Base FY 2019	Minus 0.25% discount rate	Plus 0.25% discount rate	Minus 0.25% inflation rate	Plus 0.25% inflation rate	Mortality sensitivity
	57.87	58.36	63.78	54.74	54.78	63.71	60.36
	46.48	46.17	43.40	48.46	43.90	48.45	47.43
	(31.65)	(31.28)	(27.96)	(34.61)	(31.28)	(31.28)	(31.28)
	1.91	1.90	1.91	1.91	1.91	1.91	1.91
Total pension cost before asset limit	74.61	75.15	81.13	70.50	69.31	82.79	78.42
Actuarial assumptions	FY 2018	Base FY 2019	Minus 0.25% discount rate	Plus 0.25% discount rate	Minus 0.25% inflation rate	Plus 0.25% inflation rate	Mortality sensitivity
	2.50%	2.35%	2.10%	2.60%	2.35%	2.35%	2.35%
	3.10%	3.20%	3.20%	3.20%	2.95%	3.45%	3.20%
	2.10%	2.20%	2.20%	2.20%	1.95%	2.45%	2.20%
	3.30%**	3.20%*	3.20%*	3.20%*	2.95%	3.45%*	3.20%*
Rate of pension increase	2.10%	2.20%	2.20%	2.20%	1.95%	2.45%	2.20%
Mortality Table	In line with the actuarial valuation as at 31 December 2015 but using the 2017 Continuous Mortality Investigation (CMI) model with long term improvements of 1.25% p.a.	In line with the actuarial valuation as at 31 December 2015 but using the 2018 CMI model with long term improvements of 1.25% p.a.					In line with the actuarial valuation as at 31 December 2015 but using the 2018 CMI model with long term improvements of 1.25% p.a. less a one year age rating.

Notes: All figures are in millions. These initial pension expense forecasts are highly sensitive to changes in market conditions and should not be relied upon without further advice.
 * Allowance has been made for short term pay increases of 2% each year for the 5 years following the measurement date. Then increases at the assumed rate of increase in salaries thereafter.
 ** Allowance has been made for short term pay increases for 2% each year for the 4 years following the measurement date. Then increases at the assumed rate of increase in salaries thereafter.

British Transport Police Section of the Railways Pension Scheme

A. Change in defined benefit obligation

	2018/19	2017/18
	£'000	£'000
Defined benefit obligation at end of the prior year	268,530	274,760
Current service cost	17,520	17,530
Interest expense	6,720	6,870
Cash flows		
– Benefits payments from plan	(3,930)	(3,660)
– Participant contributions	4,010	3,910
Remeasurements		
– Effect of changes in financial assumptions	17,600	(16,710)
– Effect of changes in experience assumptions	1,300	(8,100)
– Effect on changes in demographic assumptions	(4,250)	(6,070)
– Effect of experience adjustments	-	-
Defined benefit obligation at end of year	307,500	268,530

B. Changes in the fair value of plan assets are as follows

	2018/19	2017/18
	£'000	£'000
Fair value of plan assets at end of the prior year	150,000	138,840
Interest income	3,820	3,540
Cash flows		
- Employer contribution (including BRASS matching)	6,050	5,920
- Participant contributions	4,010	3,910
- Benefits payments from plan	(3,930)	(3,660)
- Administrative expenses paid from plan assets	(640)	(720)
Return on plan assets (excluding interest income)	8,110	2,170
Fair value of plan assets at end of year	167,420	150,000

C. Amounts recognised in the statement of financial position

	2018/19	2017/18
	£'000	£'000
Defined benefit obligation	307,500	268,530
Fair value of plan assets	(167,420)	(150,000)
Net liability	140,080	118,530

D. Components of defined benefit cost

	2018/19	2017/18
	£'000	£'000
Service cost		
Current service cost	17,520	17,530
Total service cost	17,520	17,530
Net interest cost		
– Interest expense on defined benefit obligation	6,720	6,870
– Interest (income) on plan assets	(3,820)	(3,540)
Total net interest cost	2,900	3,330
Administrative expenses and taxes	640	720
Defined benefit cost included in the SoCI	21,060	21,580
Remeasurements (recognised in other comprehensive income)		
– Effect of changes in financial assumptions	17,600	(16,710)
– Effect of experience adjustments	1,300	(8,100)
– (Return) on plan assets (excluding interest income)	(8,110)	(2,170)
– Net measurement regains /(losses) – demographic	(4,250)	(6,070)
Effect of asset limitation and IAS minimum funding requirement	-	-
Effect of asset limitation and IAS minimum funding requirement	-	-
Total remeasurements included in OCI	6,540	(33,050)
Total defined benefit cost recognised in SoCI and OCI	27,600	(11,470)

The Authority expects the service cost for the year ending 31 March 2020 to be £18.80 million (31 March 2019: £16.60 million).

E. Net defined benefit liability (asset) reconciliation

	2018/19	2017/18
	£'000	£'000
Net defined benefit liability (asset)	118,530	135,920
Effect of changes in demographic assumptions	21,060	21,580
Total defined benefit cost recognised in the SoCI and OCI	6,540	(33,050)
Employer contributions	(6,050)	(5,920)
Net defined benefit liability (asset) as of end of year	140,080	118,530

The liability has increased from 2017/18, primarily based on the increase in inflation rate and mortality assumptions detailed in note 23H.

F. Defined benefit obligation

	2018/19	2017/18
	£'000	£'000
Defined benefit obligation by participant status		
– Actives	194,410	164,770
– Vested deferreds	77,570	69,890
– Retirees	35,390	33,870
Total	307,370	268,530

G. Plan assets

The Scheme invests in a number of multi-asset pooled funds, including a growth pooled fund and a defensive pooled fund. The breakdown of the funds is outlined below:

The 'other' category includes infrastructure, hedge funds, investments in long term income pooled funds, and investments in illiquid growth funds.

	2018/19	2017/18
	£'000	£'000
Fair value of plan assets		
– Cash and cash equivalents	16,890	15,560
– Equity instruments	81,210	74,050
– Debt instruments	26,550	26,720
– Real estate	14,280	13,060
– Derivatives	6,370	5,830
– Investment funds	-	-
– Other	22,110	14,780
Total	167,410	150,000

H. Significant actuarial assumptions

Weighted average assumptions to determine benefit obligations	2018/19	2017/18
Discount rate	2.35%	2.50%
Rate of price inflation (RPI)^	3.20%	3.10%
Rate of price inflation (CPI)^	2.20%	2.10%
Rate of increase in salaries	3.20%*	3.10%**
Rate of pension increases	2.20%	2.10%

Assumed life expectancies on retirement at age 65 are	2018/19	2017/18
Retiring today – Males	20.1	20.5
Retiring today – Females	22.8	23.1
Retiring in 20 years time – Males	21.4	21.8
Retiring in 20 years time – Females	24.3	24.6

* Allowance has been made for short term pay increases of 2% each year for the 5 years following the measurement date. Then increases as stated above thereafter.

** Allowance has been made for short term pay increases of 2% per year for the first 4 years after the measurement date. Then increases as stated above thereafter.

^ The actuarial model uses both RPI and CPI. RPI is used to estimate price increases whilst CPI is used to estimate benefit increases.

I. Sensitivity analysis

	2018/19	2017/18
	£ million	£ million
Net liability (asset), excluding any effect of asset limit		
Base	140.08	118.53
Discount rate		
- Discount rate -25 basis points	162.54	139.12
- Assumption	2.10%	2.25%
- Discount rate +25 basis points	117.71	99.67
- Assumption	2.60%	2.75%
Inflation rate		
- Inflation rate -25 basis points	118.34	100.29
- Assumption	2.95%	2.85%
- Inflation rate +25 basis points	161.68	138.28
- Assumption	3.45%	3.35%
Mortality		
- Mortality	148.61	124.61
- Assumption	plus one year age rating	plus one year age rating

Further details on sensitivity can be found in the table below:

	£ million		Sensitivities from Base Financial Year (FY) 2019 (one item changed with all other things held constant)				
	FY 2018	Base FY 2019	Minus 0.25% discount rate	Plus 0.25% discount rate	Minus 0.25% inflation rate	Plus 0.25% inflation rate	Mortality sensitivity
Analysis of net SoFP							
Fair value of plan assets	150.00	167.42	167.42	167.42	167.42	167.42	167.42
Present value of benefit obligation	268.53	307.50	329.96	285.13	285.76	329.10	316.03
Net liability (asset), excluding any effect of asset limit	118.53	140.08	162.54	117.71	118.34	161.68	148.61
	£ million		Sensitivities from Base FY 2019 (one item changed with all other things held constant)				
	Actual FY 2018	Base FY 2019	Minus 0.25% discount rate	Plus 0.25% discount rate	Minus 0.25% inflation rate	Plus 0.25% inflation rate	Mortality sensitivity
Analysis of projected pension cost							
Current service cost	17.52	18.680	21.50	17.85	17.57	21.28	20.26
Interest cost	6.72	7.23	6.93	7.41	6.72	7.73	7.43
Interest income on scheme assets	(3.82)	(3.99)	(3.57)	(4.42)	(3.99)	(3.99)	(3.99)
Administrative expenses and taxes	0.64	0.64	0.64	0.64	0.64	0.64	0.64
Total pension cost before asset limit	21.06	22.68	25.50	21.48	20.94	25.66	24.34
Actuarial assumptions							
Discount rate	2.50%	2.35%	2.10%	2.60%	2.35%	2.35%	2.35%
Rate of RPI assumption	3.10%	3.20%	3.20%	3.20%	2.95%	3.45%	3.20%
Rate of CPI assumption	2.10%	2.20%	2.20%	2.20%	1.95%	2.45%	2.20%
Rate of salary increase	3.10%*	3.20%**	3.20%**	3.20%**	2.95%*	3.45%**	3.20%**
Mortality Table	In line with the actuarial valuation as at 31 December 2016 but using the 2017 CMI model	In line with the actuarial valuation as at 31 December 2016 but using the 2018 CMI model with long term improvements of 1.25% p.a.	In line with the actuarial valuation as at 31 December 2016 but using the 2017 CMI model with long term improvements of 1.25% p.a. less a one year age rating				

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CORRECTION SLIP

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Correction

Page 58, Footnote 1: Andrew Figgures

Text currently reads:

Andrew Figgures' term as Chief Executive ended 31 December 2016. His full year equivalent salary based on his role prior to his resignation was £125,000-£130,000.

Text should read:

Andrew Figgures' term as Chief Executive ended 31 December 2016. His full year equivalent salary based on his role prior to his retirement was £125,000-£130,000.

Date of correction: 3 June 2021
