



BRITISH TRANSPORT POLICE FUND

Annual Report and Accounts
for the year ending 31 March 2023





British Transport Police Fund

STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2023

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

CHAIR'S STATEMENT

The following report and accounts provide an overview of the achievements of the British Transport Police (BTP) over the last year in meeting the objectives set by the British Transport Police Authority (BTPA).

Although our daily lives may seem no longer affected by the COVID-19 pandemic, the Authority recognises that we are supporting an industry still recovering from a drop in passenger numbers, revenue and activity on the rail network.

The Office of Rail and Road reported a 46% increase in passenger rail journeys in 2022-23, compared to 2021-22. Therefore, I am not surprised to see that notifiable crimes have also increased, and BTP is changing and adapting its ways of working in order to tackle this increase in an operating environment which is very different post-pandemic.

2022 also saw two big operational challenges for the BTP – the Commonwealth Games in Birmingham, which saw thousands of sports fans travelling into the West Midlands, and Her Majesty the Queen's funeral. For both occasions, our officers were professional, helpful and dedicated to protecting

everyone that worked and used the rail network at these busy, emotional times.

There was a 25% increase in recorded violent crimes against women and girls, which on the surface may seem alarming, but we believe this is significantly down to an increase in reporting, passengers feeling more confident to come forward, and the successful awareness-raising work undertaken by BTP. You may have seen the new Railway Guardian App, which was downloaded over 27,000 times throughout 2022/23, and BTP's Speak Up, Interrupt campaign, encouraging bystanders to play their part in preventing crimes against women and girls. It is axiomatic to the role of the BTP that all passengers and staff can work and travel across the network free from harassment and violence.

2022 also saw the launch of BTP's new Strategic Plan for 2022-27. The plan was developed in consultation with the rail industry and wider partners, so that our objectives (on page 11) reflect their feedback and priorities. Our partners told us they supported our overarching ambition for BTP to work with rail industry colleagues and others. By doing so, it ensures good order is maintained on the network so that passengers and staff can go about their business in safety and without disruption. There was also strong support for BTP's ambition to explore ways to collaborate and innovate to deliver services even more efficiently and to meet the challenges of the new operating environment.

2022 also saw two big operational challenges for the BTP – the Commonwealth Games in Birmingham, which saw thousands of sports fans travelling into the West Midlands, and Her Majesty the Queen’s funeral. For both occasions, our officers were professional, helpful and dedicated to protecting everyone that worked and used the rail network at these busy, emotional times.

Some of this partnership work has already kicked off with the force’s new Crime Prevention Strategy – which embeds crime prevention tactics in the daily work of BTP officers and staff – and the Integrated Security and Policing Project. This project introduced a more joined-up approach to station security at large sites, like Kings Cross St Pancras and Birmingham New Street, to ensure greater effectiveness and results. BTP are considering next steps towards further integration and partnership working.

Some disturbing revelations and subsequent reports into the conduct and culture of policing have seriously challenged public confidence in policing over the last year and more. The Authority is determined to support and challenge BTP leadership in eradicating unacceptable behaviours and modernising the culture. I do believe progress is being made but I also believe this work will need to be a clear priority for Force and Authority alike for some time to come.

BTP has updated its five-year Inclusion and Diversity Strategy as well as embedding the Police Race Action Plan across the Force. Senior leaders are readily engaging in the associated workstreams to ensure

that the principles are ingrained within the Force’s DNA. The Police Authority will hold BTP to account, whilst at the same time also self-challenging on these issues that go to the heart of trust, legitimacy and policing by consent.

To conclude, I should like to thank all BTP staff and officers for their hard work over the last financial year. We have seen numerous challenges, both as an industry and in day-to-day policing, but BTP continues to be a Force rightly described as “Guardians of the Railway”, and the Authority is proud of all those police officers and staff who have contributed so selflessly to the achievement of the Force’s objectives in 2022/23.



Ron Barclay-Smith
Chair

ABOUT US

A STRATEGIC OVERVIEW

Who we are

The British Transport Police Authority (BTPA) 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 dedicated police force for the railways covering England, Scotland and Wales. The number of members of the BTPA ranged between 10 and 14 throughout 2022–23, and they provided knowledge and experience of issues that concern passengers, the railway industry and railway employees. The members currently meet six times a year to set British Transport Police strategy, medium-term financial plans and annual budgets, monitor its operations and allocate funds. Members also carry out supporting business through committees and working groups, the current structure (as of 31 March 2023) includes:

- Audit and Risk Assurance Committee
- Appointments, Remuneration and Appraisal Committee
- Strategy and Planning Committee
- Performance and Delivery Committee
- Scottish Railways Policing Committee
- Pensions Working Group
- Complaints Review Panel
- People and Culture Committee
- Stakeholder Engagement Working Group

Our vision

A world-class police Force trusted to provide a safe and reliable railway.

Our mission

Working together to protect the rail community, creating a hostile environment for crime

Our ambition and objectives

- Crime prevention and safeguarding to reduce the likelihood of people coming to harm on the railways
- Target our specialist policing efforts to ensure fewer victims of the most harmful crime
- Innovate and collaborate with our partners to reduce disruption
- Earn the trust and confidence of passengers and rail staff to defeat criminality together
- Generate value through technology and sustainable investments, adapting to meet the future
- Build a modern and inclusive Force where our people are well-equipped, well-led, well-cared for and reflect the best of our communities

Our principle risks and uncertainties are described in the Corporate Governance Report.

Our values

Values are essential to how we work together, serve the public and engage with partners. They are the foundations of a police force that is trusted, respected and whose policing actions are felt as legitimate. Our people have carefully considered Our Values through engagement across BTP. Our Values will enable us to evidence each day that we are US AT OUR BEST.

Our values are:

- We are proud to protect
- We care
- We are one BTP
- We do the right thing
- We strive to be better every day





PERFORMANCE HEADLINES

BTP

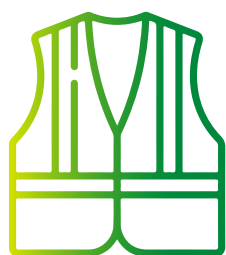
SOLVED 9,336 NOTIFIABLE CRIMES

which was **20% more** than in 2021/22 (7,808)



66% INCREASE

in reporting of wrongdoing through the **“Speak Up, Interrupt”** Campaign

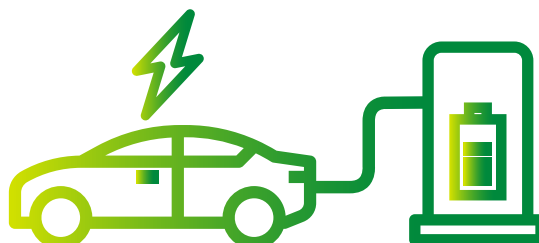


19,615 OPERATION ALERT (High Visibility)
Patrols since November



Railway Guardian App launched, with

27,000 APP DOWNLOADS

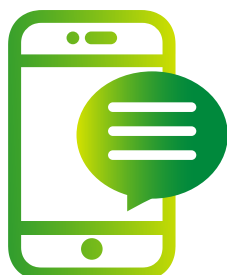


25% of our fleet is now **electric**

170,000

616016 texts received

(2021/22: 130,000)



OFFICER HEADCOUNT: 3,198 – the

highest number of officers on record



There was a

46% INCREASE

in the number of passenger rail journeys in 2022/23 compared to 2021/22 (source: ORR)



PERFORMANCE REPORT

PERFORMANCE SUMMARY

2022-27 Strategic Plan

This was the first year of our new strategy, which covers the period 2022-27. This Strategic Plan aims to deliver a secure place for passengers, a hostile place for those who would do harm and a safe place for vulnerable people encountered on the network. We will do this in partnership with the rail and underground industry, wider law enforcement, safeguarding agencies and passenger groups.

Our strategic objectives for 2022-27 are:

- **Crime prevention and safeguarding to reduce the likelihood of people coming to harm on the railways**
- **Target our efforts to ensure fewer victims of the most serious crime**
- **Innovate and collaborate with our stakeholders to reduce disruption**
- **Build the trust and confidence of passengers and rail staff to defeat criminality together**
- **Generate value for money through the exploitation of technology, adapting to meet the future**
- **Build a modern and inclusive Force where our people are well-equipped, well-trained, well-led, well-cared for and reflect the best of our communities**

Crime prevention and safeguarding to reduce the likelihood of people coming to harm on the railways

BTP will work with industry, security and wellbeing agencies to ensure that everyone who works on or uses the railways to travel for leisure or work feels safe and is confident to do so.

There was a 30% increase in the number of notifiable crimes recorded by BTP in 2022/23 compared to the previous year (from 51,847 to 67,625) and a 1% increase in the number of incidents of anti-social behaviour recorded (from 30,636 to 30,838). The number of crimes per million passenger journeys reduced from 27.4 in 2021/22 to 24.4 for 2022/23. This is in the context of a continued rise in the number of passenger rail journeys since the outbreak of the COVID-19 pandemic. Provisional statistics from the Office of Rail and Road (ORR) show that there was a 46% increase in the number of passenger rail journeys in 2022/23 compared to 2021/22¹.

BTP continually seeks to improve judicial outcomes. In 2022/23, BTP solved 9,336 notifiable crimes, which was 20% more than in 2021/22 (7,808). However, the 30% increase in the number of crimes recorded means that the solved rate reduced slightly from 15.1% to 13.8%.

¹ Increase from 990,050,962.01 passenger journeys in 2021/22 to 1,445,932,511.90 passenger journeys in 2022/23. Source: Office of Rail and Road, Table 1220 – Passenger journeys. Available from <https://dataportal.orr.gov.uk/statistics/usage/passenger-rail-usage/table-1220-passenger-journeys/> [Accessed 13.06.2023]

In January 2023, BTP launched its Crime Prevention Strategy setting out the role that BTP has in preventing crime and incidents on the railway by embedding crime prevention principles in the daily activities of employees. The strategy aims to reduce offending and harm on the railways, reduce demand through an evidence based problem-solving approach, and deliver cultural change by maximising preventative policing.

BTP has been trialling an 'Integrated Security and Policing Pilot' initiative at five railway stations which brings together policing and non-policing partners daily for a joint briefing. A common information picture then emerges of resourcing numbers needed for the day ahead, regular offenders tracked more efficiently and a holistic 24-hour context that improves policing of these locations. A final evaluation report is due in early 2023/24.

Target our efforts to ensure fewer victims of the most serious crime

Our people and partners work together to keep the railway safe; our ultimate goal is for fewer people who use the railway to become victims of crime.

BTP recorded 12% more violence against the person offences and a 36% increase in robbery in 2022/23 compared to the previous year². However, both crimes saw a reduction in the number of crimes per million passenger journeys. There were 4.7 violence against the person offences per million passenger journeys and 0.5 robbery offences per million passenger journeys in 2022/23, down from 6.1 and 0.6 respectively.

BTP has continued its efforts to tackle violence against women and girls. This year saw a 25% increase in recorded violent crimes against women and girls, a 99% increase in crimes involving sexual

harassment and a 2% increase in sexual offences.³ This does not necessarily mean an increase in occurrence of these crimes but that victims are more confident and willing to report it because of the messaging and efforts across the network. Several new initiatives have contributed to this including media campaigns, the launch of the Railway Guardian app alongside the existing channels to make reporting more accessible. The Force also launched its 'Speak Up, Interrupt Campaign' (which encourages bystanders/witnesses to report incidents), delivered enhanced training for officers and the Priority Crime Task Force focused their proactive patrols on locating sexual offenders.

BTP's Counter Terrorism (CT) policing capability continues to keep the underground and rail network safe. In order to ensure the right model for the future, the Force has undertaken a review of its CT structure and capability against the UK threat assessment. Implementation of a new model is expected to be substantially complete by early 2023 and will deliver cashable savings of £1.75m per annum.

Innovate and collaborate with our stakeholders to reduce disruption

The impact of disruption to passenger and freight services on the rail network is far reaching and BTP has a vital role to play in preventing and limiting disruption events such as those caused by fatalities and trespass while dealing with the aftermath with compassion and professionalism.

There was an average of 25.8 minutes of primary delay per police related disruption incident in 2022/23, up from an average of 21.9 in 2021/22. The number of police related disruption incidents saw a 0.5% reduction in 2022/23 compared to the previous year, from 27,361 to 27,237.

² Violence against the person increased from 11,599 in 2021/22 to 12,977 in 2022/23. Robbery increased from 1,088 in 2021/22 to 1,475 in 2022/23.

³ Violent crimes against women and girls increased from 7,561 in 2021/22 to 9,438 in 2022/23. Crimes involving sexual harassment increased from 873 in 2021/22 to 1,736 in 2022/23. Sexual offences increased from 2,235 in 2021/22 to 2,285 in 2022/23.



However, the number of primary delay minutes associated with these incidents increased by 17% (from 600,009 to 701,551).⁴

BTP continues to work collaboratively with the rail industry to reduce disruption including through a focus on hotspot locations and problem solving plans. In addition, the Force continues to work through various crime partnership groups, disruption working groups and external bodies such as Samaritans and Railway Children.

Focusing on those who are most vulnerable and/or at risk continues to be a key part of BTP's work. There were 2,254 lifesaving interventions on the railway in 2022/23, which was 5% fewer than last year (2,376). During this period there were 3% fewer suspected suicides (from 276 to 268).⁵ The average handback time to the rail industry following a fatality remains an important element in preventing delays on the railway. BTP continued to miss its agreed target for the handback of non-suspicious fatalities within 90 minutes. However, the average time reduced slightly from 97 minutes in 2021/22 to 95 minutes in 2022/23.

Work is also underway within BTP to better understand how the Force delivers value for money to the rail industry, the economy

and society in general. Given BTP's role in the rail industry, a large part of this focus has been on police related disruption, including delays related to fatalities and lifesaving interventions, mental health trespass, cable theft and unattended packages and bomb threats.

Build the trust and confidence of passengers and rail staff to defeat criminality together

Policing by consent depends on public trust that our actions are legitimate and proportionate. We continue to challenge ourselves on this and to work with our communities to understand and tackle potential harms.

BTP's 2022 annual public attitudes survey found that 66% of respondents 'feel safe whilst travelling on the railways', which was an increase from 54% in last year's survey. It also found that 70% who had contact with a police officer in the last 12 months agreed that 'BTP treats everyone according to their needs', up from 55% in 2021. A new question was added this year on public feelings when travelling on the railway, with 28% 'always' and 59% 'sometimes' 'happy' when travelling on

⁴ Police related disruption statistics are subject to minor changes up to 30 days following the incident.

⁵ At the time of writing, there were 6 incidents from 2021/22 with a pending classification, and 7 from 2022/23. Life-saving intervention figures are subject to minor changes

the railway. However, it also found that 8% 'always' felt 'vulnerable', 5% 'always' felt 'fearful' and 8% 'always' felt 'worried'. The top policing priorities identified in the survey were sexual offences, violence and anti-social behaviour.

There has been and continues to be a spotlight on police conduct following a number of abhorrent, disturbing and criminal acts committed by people serving in the police. As such, it is imperative that we work as hard as possible to restore trust and confidence where we can. There are a number of activities taking place across BTPA and BTP focussed around proactively ensuring that officers and staff who should not be in policing are removed, reviewing and where appropriate making amendments to misconduct processes, and the inspection of vetting and counter corruption arrangements. BTP has reinforced the messaging around its 'Speak Up' confidential reporting service and 'trust your gut' campaign to encourage people to come forward and provide reassurance that they would be listened to. BTP's Professional Standards Department (PSD) remains busy with a steady stream of misconduct hearings taking place. There has also been a significant uplift in the Force's PSD and an historical review of the Police National Database to identify if any officers and staff have had any contacts with the police which ought to have been declared or intelligence recorded against them since their last vetting check.

BTP's five-year Inclusion and Diversity Strategy has been agreed and contains ambitious targets which challenge the Force to be progressive. Similarly, the Police Race Action Plan is being embedded

across the force, and senior leaders are readily engaging in the workstreams to ensure that the principles are ingrained within our DNA. Supporting this is the creation of a new framework for external scrutiny which will ensure we use a wider range of perspectives and experiences to improve trust and legitimacy. The aim of this is to ensure that there is true independence, organisational learning and clear and effective progress for external scrutiny.

Generate value for money through the exploitation of technology, adapting to meet the future

We have a duty to use our resources in the most effective and efficient way. In our 2022-27 strategy we committed to challenge inefficiency ensuring 'every penny counts' towards our strategic goals and to deliver measurable efficiency savings to reinvest where they will have the most impact on our strategy. To deliver this BTP has developed an ambitious 'A Force on the Move' change programme.

So far this has included structural reviews of management 'Layers and Spans' of control to look at how it could work in a leaner and more efficient way and the Force's Counter Terrorism capability. This programme has an ambition to collaborate with industry partners in exploiting new technology and sharing data to ensure our collective approach is targeted and effective. Examinations of training and legal services provision have generated cost reductions in the range



of half a million pounds. BTP has also delivered over £1 million in savings through the strategic estates move to Baskerville House in Birmingham and a restructure of our Duty and Events Planning capability.

BTP is committed to achieving Net Zero Carbon status by 2035 through its Net Zero Carbon Strategy, which was approved in February 2022. BTP has chosen 2019 as the baseline year to report against, as 2020 and 2021 data is not reflective of a usual operational year. A number of areas of progress have been made in 2022/23 which are described elsewhere in this report. These include

- Meeting the Government Green Fleet 25% target of car fleet to be zero emission by December 2025, which translates to a reduction of 1122 tonnes of CO₂ saved annually.
- The purchase of software to automate the process of data gathering, perform complex calculations, and track, measure, and report on our annual carbon footprint
- Adopting the Cabinet Office stance to NZC on £5m+ major competitions. BTP took this down to a lower threshold where competitions greater than £500k required suppliers to confirm their commitment to NZC and have a strategy in place by 2025.
- Collaboration with suppliers to provide NZC products from sustainable sources, for example uniform manufactured from renewable, recycled and sustainable materials, zero uniform to landfill and recycle to reuse initiative.
- A sustainable supplier award category was introduced at BTP's annual 'us at our best' awards to recognise the supplier who has made the greatest contribution in supporting BTP in our NZC journey.

In support of the Government's Commitment for 25% of the car fleet to be ultra-low emission vehicles (ULEV) by 31 December 2022 and 100% of the car and van fleet to be zero emissions at the tailpipe by 31 December 2027,⁶ BTP has been working to transition its fleet and set up the necessary charging infrastructure. In total, 85 of 290 cars are now fully electric, which has exceeded the Government Green Fleet target. The Force also now has two sites and 10 charging points secured and a further six sites scheduled for the next year. BTP's ambition is for the remaining fleet to move over to Electric Vehicle (EV) by the UK Government 2027 target.

Across the year, BTP has implemented a range of technology developments. These include the launch of the Railway Guardian app, securing access to the national Child Abuse Images Database to enhance the Force's investigatory capability, and completing the implementation of a NICHE Property module which has integrated evidence management with our in-service crime records system. This has been achieved alongside 'Fixing the Fundamentals' to deliver a restructured and fit-for-purpose Technology Department.

BTP has also rolled out 3,500 brand new Body Worn Video (BWV) devices with enhanced functions including on-the-go uploads, USB charging, touch screen with the ability to view footage prior to upload, and visibility of battery life. As part of this significant rollout, the Force experienced some early issues but a BWV Working Group oversaw firmware updates, in-person Support Sessions across the country and consistent communications on business change.

⁶ Source: [Gov.UK](https://www.gov.uk/government/publications/greening-government-commitments-2021-to-2025/greening-government-commitments-2021-to-2025) (2022) Greening Government Commitments 2021 to 2025, Updated 15 December 2022. Available from: <https://www.gov.uk/government/publications/greening-government-commitments-2021-to-2025/greening-government-commitments-2021-to-2025> [Accessed 21.04.2023]

Build a modern and inclusive Force where our people are well-equipped, well-trained, well-led, well-cared for and reflect the best of our communities

We are proud to be the specialist police force for the railways. Successful policing requires fresh and modern capabilities that keep ahead of threats and crime; but it is fundamentally about people.

In July 2022, BTP invited all employees to complete its 'All People Survey' to gather views about what the Force is doing well, and issues that need to be addressed. The response rate was 63%, up from 50% last year. The survey found that 69% were proud to work for BTP, with 71% knowing how their work contributes to BTP's purpose. However, it also found that senior leaders across the organisation don't engender trust or put teams' work in context of our wider strategy/connect to mission, and that although 76% saw themselves still working at BTP in two years, only 52% would recommend BTP as a great place to work.

BTP's 2022 Gender Pay Gap Report reports that the gender pay gap has decreased for the fifth year in succession, with a mean gap of 5.74% and median gap of 14.72% (2021: 6% mean and 12.28% median). The 2022 report states that 31.78% of employees were female, compared to 31.3% for the previous year. The female representation was 22.2% for police officers, which was a slight increase on the 21.2% representation rate for the previous year.

BTP gave a commitment as part of its Race Action Plan to publish an ethnicity pay gap report, which it did for the first time in March 2023. The 2022 Ethnicity Pay Gap Report established that there were mean pay gaps of 5.64%, 5.64% and 4.05% for those declaring their Ethnic Group as Asian, Black and Mixed respectively. The median pay gaps for Asian, Black and

Mixed Groups were 10.78%, 11.20% and 6.76% respectively, compared to the highest median hourly pay rate. The report states that 2.75% of employees chose not to share their ethnicity data.

The Ethnicity Pay Gap Report also outlines the Ethnicity Representation rates for BTP employees. This shows that the representation rates for All Employees were:

All Employees	
Ethnic Group	Percentage %
White	82.29
Asian	7.88
Black	3.88
Mixed	3.30
Not stated	2.75

For police officers the Ethnicity Representation rates were:

Police Officers	
Ethnic Group	Percentage %
White	85.92
Asian	5.64
Black	2.69
Mixed	3.03
Not stated	2.73

Following the successful establishment of a new hub in Birmingham, work has been ongoing to establish a new operational hub for London. This is progressing well and, subject to securing the relevant approvals, the Force expects to consolidate a number of functions into new premises by the end of 2024.

PERFORMANCE ANALYSIS

FINANCIAL ANALYSIS

The net deficit for the financial year was £107.2 million (2021-22: £109.9 million), £105.4 million (2021-22: £106.6 million) of which relates to IAS 19: Employment Benefits pensions accounting adjustment (see Statement of cash flows). The adjusted net deficit after removing the IAS 19 adjustment is a £1.8 million deficit (2021-22: £3.3 million deficit).

A deficit remains after this adjustment largely as a result of two matters. Any depreciation charged on assets funded outside of the PSA charging mechanism does not align exactly with when funding is received, and often the funding flows through the statement of changes in equity rather than as income. In addition, leasing costs are charged to PSA holders on a cash basis rather than on the IFRS16 cost basis which creates a difference in income and expenditure timing. Both scenarios still result in full recovery of expenditure over time.

	Year ending 31 March 2020 £'000	Year ending 31 March 2021 £'000	Year ending 31 March 2022 £'000	Year ending 31 March 2023 £'000	Budget 2023/24 £'000
Income	305,262	319,838	331,123	350,662	365,303
Expenditure	(384,978)	(386,460)	(441,006)	(457,861)	(387,849)
Net Deficit Including IAS19 pension costs	(79,716)	(66,622)	(109,883)	(107,199)	(22,546)
Adjusted net surplus/ (deficit) Removing IAS19 pension costs	(5,726)	(10,132)	(3,313)	(1,809)	(3,556)

Non-Current Assets	68,043	67,690	89,826	98,310	N/A
Total Assets	126,661	125,612	154,049	164,740	N/A
Current Liabilities	(55,011)	(58,194)	(62,546)	(65,376)	N/A
Non-Current Liabilities	(596,237)	(1,054,862)	(938,016)	(75,128)	N/A
Taxpayers Equity	(524,587)	(987,444)	(846,513)	24,236	N/A

Five-year Financial Performance

The table shows financial outturn figures for the year ending 31 March 2020 to the year ending 31 March 2023 and the budget for 2023-24.

A new Medium-Term Financial Plan covering 2023-24 through to 2027-28 was reviewed by the Authority during 2022-23. The total expenditure control budget was approved for 2023-24 as well as an increase to the Police Service Agreements (PSA) charges of 4.5%.

The table indicates that the key volatile element of the annual income and expenditure is the IAS 19 pension costs. An adjusted deficit figure removing the IAS 19 cost has therefore been provided to allow comparability over the four years and a clearer underlying financial position. The IAS 19 adjustment is the sum of net interest on the net defined benefit liability, administration and service cost; reduced by employer contributions.

The net pension liability is also the key volatile element of assets and liabilities. After adopting IAS 19: Employee Benefits, the opening financial position as at 1 April 2022 shows net pension liabilities of £912.5 million. The net liability of the scheme on 31 March 2023 was £49.4 million; a decrease of £863.1 million in the year. A higher discount rate has significantly decreased the benefit obligation in the current financial year. The Department for Transport (DfT), as the Authority's sponsoring department, underwrites any pension shortfalls. For further detail please refer to Note 23 in the Financial Statements

Current Year Performance

Expenditure incurred as a result of COVID-19 in 2022-23, specifically purchase of personal protective equipment and cleaning services, have been absorbed within existing budgets and no Grant-in-aid funding was received for COVID-19 expenditure. The DfT Grant in aid funding

received in 2022-23 related to Her Majesty the Queen's funeral. As a result of the operational pressures experienced during the COVID-19 pandemic in 2020-21, there was an agreed policy to allow employees to carry over annual leave of up to 20 days to utilise over the following two years, in line with government guidance. This impacted the statement of financial position with additional carry over of untaken annual leave into the following year and as a result the annual leave liability increased in 2020-21 by £4.7 million. The annual leave liability decreased in 2022-23 by £2.7 million as the employees took the annual leave accrued during 2020-21.

Income recognised in the year increased by £19.6 million, from £331.1 million in 2021-22 to £350.7 million in 2022-23. This increase is largely due to an inflationary increase in BTPA charges. The Authority had previously approved an increase to the Police Service Agreements (PSA) charges in line with RPI plus 1% to allow for the Workplace Violence Coordination Unit and resources for the Elizabeth line for 2022-23.

There was an increase of £7.1 million in staff costs, from £343.2 million in 2021-22 to £350.4 million in 2022-23. Standard payroll costs increased due to the 2022-23 pay award and spine point progression which was partially offset by a decrease in the annual leave liability value of £2.7 million. Temporary staff costs have increased this year due to increased resource needed in Strategy and Change, Technology and Professional Standards.

Other expenditure decreased by £4.8 million, from £58.9 million in 2021-22 to £54.1 million in 2022-23. There was a decrease in rentals under operating leases by £8.0 million as a result of reassessment of all leases against IFRS16 criteria which was partially offset by increased accommodation/premises costs by £1.3 million and increased professional services costs by £1.4 million. The impact on the statement of comprehensive income of IAS 19 pension adjustments at £109.1 million



is lower than the previous year (2021-22: £113.8 million) as a result of the decrease in liability in the prior year. For further detail on the breakdown of costs please refer to Note 23 in the Financial Statements.

In the statement of financial position, the carrying value of non-current assets increased by £8.5 million, from £89.8 million in 2021-22 to £98.3 million in 2022-23. Additions and adjustments of £18.0 million were made in the current year including Body Worn Video, End User Compute Phase 2 and Brewery Road roof cover and insulation, as well as right of use property additions and adjustments at a value of £13.7 million. The cause of the right of use property additions was the reassessment of all leases against IFRS16 criteria. The revaluation of assets also increased the total value of non-current assets by £7.7 million. This was reduced by depreciation and amortisation charges of £29.2 million.

Total current assets increased by £2.2 million, from £64.2 million in 2021-22 to £66.4 million in 2022-23. Receivables increased by £6.0 million, although this was partially offset by a decrease of £3.5 million in cash and a decrease of £0.3m in Inventories. The main cause for the net movement was an increase in prepayments and accrued income of £6.2

million. Compared to 2021-22, there was an increased quantity of invoices approved and paid before the end of 2022-23 that covered future periods which also resulted in a decrease in the cash balance.

Total current liabilities increased by £2.8 million, from £62.5 million in 2021-22 to £65.4 million in 2022-23. This derives from an increase in the trade and other payables balance which was caused by an increase in invoices less than 30 days old waiting to be paid in the accounts payable ledger. The value of provisions has increased by £0.6 million through a higher level of new provisions or uplifts compared to the value of provisions utilised or written back. These movements have occurred across a range of provision types.

The value of non-current liabilities decreased by £862.9 million, from £938.0 million in 2021-22 to £75.1 million in 2022-23. This was driven by a decrease in the net pension liability following a higher discount rate applied in the IAS 19 valuations. While the European Union Exit has had a material impact on many public sector organisations during 2021-22 and 2022-23, it has not had the same impact on this organisation. No material additional expenditure has been incurred as a result of this event.

Delivering Efficiency and Benefits

BTPA remains committed in its 2022-2027 Strategic Plan to the delivery of evidenced and quantifiable benefits and efficiencies to reinvest where they will have the most impact on our objectives for the advantage of all rail sector stakeholders. This undertaking builds on the provision of over £36m of financial savings over the last six years. Our partners and the public want to be confident that we will use our budget efficiently and we demonstrate that we can provide value for money in delivering the services they need. BTPA continues to recognise its position in ameliorating the fiscal and operational challenges that the rail industry is facing.

To enable this BTP has developed an ambitious 'A Force on the Move' change programme, which will drive efficiencies, productivity, performance and wellbeing improvements boosted by save before we spend reinvestment. This has included

structural reviews of management layers and spans and our Counter Terrorism capability following an examination, led by Sir Mark Rowley in an independent capacity.

This programme will strive to collaborate with industry partners by exploiting new technology and proactively sharing data to ensure our collective approach is targeted and effective. The Force has continued to challenge inefficiency, ensuring 'every penny counts' towards our strategic goals including examinations of our training and legal services provision generating cost reductions in the range of £0.5 million. BTP has also delivered over £1 million in savings through the strategic estates move to Baskerville House in Birmingham and a restructure of our Duty and Events Planning capability area.



Key areas of progress this year include:

Digital Enhancements

Across the year BTP has implemented a range of technology capability developments to support the delivery of our objectives and policing plans. These include a suite of agile front line policing improvements which allows officers to record incidents on the move and augment coordinated response, employ further mobile iPatrol application enhancements to sustain visibility, gain access to the Scottish crime management system and exploit a mobile geolocation function providing location-specific data to officers to enhance situational awareness and optimise deployments. Complementing this we have initiated a Body-Worn Video replacement programme with 5G-enabled cameras deployed to officers, special constables and PCSOs that supports the increased profile of our officers.

Within our Crime and Safeguarding command, we have rolled out the Railway Guardian app which is imperative to tackling violence against women and girls, and secured access to the national Child Abuse Images Database (CAID) to enhance our investigatory capability. Additionally, we have completed the

implementation of a NICHE Property module, which integrated evidence management within our in-service crime records system moving away from a standalone system. All this has been achieved alongside Fixing the Fundamentals to deliver a restructured and fit-for-purpose Technology Department.

Fleet Electrification

The Force has continued to be an early adopter on the drive to fleet electrification in line with UK Government green energy ambitions. Across the country BTP now has 85 electric vehicles (EV) transitioning to in service from the end of December 2022 in compliance with the Government target for 25% of our fleet to be electric by this time. We have also been proactive in the development of our charging infrastructure to support the EV fleet with 2 sites and 10 charge points already secured and a further six sites scheduled for the next year. As part of this initiative to accelerate our transition to a green fleet we have also established a driver training school which has furthered an opportunity to generate income by providing training to partner forces. Additionally, the Force Executive Board has approved an Electric Vehicle Salary Sacrifice Scheme for all BTP employees which will go live in 2023-24.

New Ways of Working

Detailed analysis of the opportunities from offering a flexible working approach to how our police staff carry out their work has determined a wide range of sustainable benefits. From a wellbeing perspective our 2022 People Survey has identified that a convincing cohort of our police staff agree that they are able to fulfil their role while maintaining a healthy work life balance and believe they are genuinely supported when flexible working is requested. Benefits to our recruitment and retention arena have seen expanding our staff promotions landscape nationally and reductions in staff turnover. The organisation has also seen a significant reduction in lost duty days due to sickness and special leave demonstrating how the new ways of working can unlock productivity improvements. Our business continuity has been enhanced with 39% reduction since 2019 of claims relating to musculoskeletal conditions from office working. The Force will continue to progress new ways of working as a key theme throughout 'A Force on the Move' over the coming years.

PERFORMANCE ANALYSIS

SUSTAINABILITY REPORT

BTP and the Authority are committed to achieving Net Zero Carbon (NZC) by 2035¹. It is a key component of the 2022–2027 Strategic Plan and is supported by the 2022–2035 Net Zero Carbon strategy which was approved in February 2022.

BTP have chosen 2019 as the baseline year to report against, since 2020 and 2021 data is not reflective of a usual operational year and robust, accurate data is available for 2019 to compare against. Specialist software to automate the tracking and measurement of our carbon footprint has been procured with implementation underway with full reporting by Autumn 2023.

The key elements detailed in the strategy to achieve this are:

- Data collection, measurement, validation, and reporting: to understand and monitor the impact against a baseline of 2019 data
- Personal empowerment and contributions: to place NZC/sustainability at the heart of what we do
- Delivery initiatives: the focus during 2022–23 has been to mobilise the strategy with a series of initiatives, including partial conversion of car fleet to fully electric vehicles, switching to clean electricity supply, reducing the size of the estate and decarbonising plans to upgrade fabric of buildings, and reviewing our uniform provision through sourcing new products from NZC factories, recycle to reuse and zero to landfill schemes.

¹ Interim targets have been set in line with the Green House Gas Protocol, for Scope 1&2 emissions to achieve Net Zero Carbon by 2030 with Scope 3 emissions by 2035. Following the 2035 target, further targets are set to achieve maximum reductions by 2050 to reduce the dependence on offsetting to ensure Net Zero Carbon can be maintained long into the future.

Greening Government Commitments	Baseline 2019/20	Operational target to 2030 S1/2 2035 S3	Operational Performance		Reduction from baseline	Gross Expenditure 2022/23
			2021/22	2022/23		
Greenhouse Gas Emissions (tonnes/CO ₂)						
Scope 1 – Direct energy	4,101 tCO ₂ e	-46.2%	N/A	N/A	2022-23 will be the first remeasure with work completed by Autumn 2023. This will be reported in the 2023-24 Annual Report and Accounts	£77,999
Scope 2 – Indirect energy	8,209 tCO ₂ e	-46.2%	N/A	N/A		£1,205,279
Scope 3 – travel, fleet, suppliers, staff commute	11,080 tCO ₂ e	-67.2%	N/A	N/A		£72,268,819
Waste expenditure	173t	<10%	118t	108t	-38%	£352,820
Water (m³/FTE)	3.24m³	<4-6m³	2.07m³	2.03m³	-37%	£44,830
Paper (reams A4 equivalent)	19,778	-50%	8,241	9,453	-52%	N/A

The scope of this sustainability reporting includes operations including projections for Scope 1 and 2 where BTP has buildings provided by TfL and all buildings where we pay un-metered charges.

Greenhouse Gas Emissions

Greenhouse Gas emissions continue to reduce within BTP's estate with many of the strategy initiatives being delivered at pace. Additionally, the Government Green Fleet 25% target of car fleet to be zero emission by December 2022 has been exceeded and stands at 29%, this initiative alone will reduce carbon emissions by 1122 tonnes of CO₂ per year.

A further major contributor to the reduction of carbon emissions this year has been within our estate. We have been able to relocate to smaller premises in Birmingham due to the implementation of an agile working policy which has resulted in an annual carbon saving of 180 tonnes CO₂e.

For the remaining estate we have a 10-year plan to decarbonise buildings via LED lighting replacement as standard during refurbishment, total LED replacement plan for remaining estate, and a range of longer-term initiatives such as fossil fuel boiler replacement, solar PV array

installation, and building fabric upgrades where applicable.

Waste

The Total Facilities Management (TFM) contract covers collection and disposal of waste at 10% of BTP's sites (although these represent 39% of total area); the remaining sites have waste collection provided by the landlord. Of the reported disposal, 108 tonnes (less than 6%) are sent to landfill.

Water

Water consumption continues to be below the 4-6m³ operational target at 2m³ achieved for 2022-23. BTP has not implemented any reduction schemes, and the reduced level is believed to reflect lower occupancies in the sites with metered water. This trend is set to continue downwards as estate relocations save space and utilities, e.g. the relocation of Force headquarters in 2024. Current annual reduction is 37% against the baseline consumption.

Paper

Paper consumption remains below the operational target of <50% against the 2019 baseline with an annual reduction of 52% for the year 2022–23. We continue our shift towards more digital processes keeping paper usage to a minimum and have ensured that only paper from sustainable sources can be ordered via our stationary supplier. This performance is expected to be maintained for future years.

Travel – Car Fleet

BTP fleet currently stands at 556 vehicles and 290 of these are cars. In total, 85 cars are now fully electric, which has exceeded the Government Green Fleet 25% target of car fleet to be zero emission by December 2022. This will result in an annual saving of 1122 tonnes of CO₂. BTP's ambition is for the remaining fleet to move over to Electric Vehicle (EV) by the UK Government 2027 target.

Domestic Flights

During 2022–23 there were a total of 75 domestic flights taken (2021–22: 74 flights) and equates to 27% of the 2019–20 baseline, again far more than the reduction required. No international flights were undertaken.

Climate change adaptations

BTP continues to have zero 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. Climate change adaptation is embedded within overall governance, decision making, and assurance processes and Net Zero guidance and considerations are included in business cases where relevant as standard.

Sustainable Procurement

BTP applies the use of the Government Buying Standards (GBS) and management of supply chain impacts, as required by the Greening Government Commitments.

We have adopted the Cabinet Office requirement for all companies bidding for government contracts worth more than £5 million a year to commit to achieving Net Zero emissions by 2050, and BTP lowered the threshold where competitions greater than £0.5 million required suppliers to confirm their commitment to NZC and have a strategy in place by 2025.

The switch of electricity provision to renewable clean energy sources is imminent and we have collaborated with suppliers to provide NZC products from sustainable sources, e.g. uniform manufactured from renewable, recycled, and sustainable materials, zero uniform to landfill and a recycle to reuse initiative have all been introduced. We have switched office supplies to being from sustainable sources and introduced an annual sustainable supplier award category at the 'Us at our Best' awards to recognise the supplier who has made the greatest contribution in supporting BTP in our NZC journey.

Procurement of food and catering services

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



Staff support, recruitment, & learning

To include our people on the NZC journey we have put in place an internal communication campaign to create engagement, raise awareness and share progress. This is to be supported by the creation and rollout of a sustainability, learning and awareness package alongside a group of Net Zero Heroes who will filter down messages. We have introduced a salary sacrifice scheme so that all staff and officers have the opportunity to access a tax efficient way to purchase a range of electric vehicles. All external and internal vacancies now carry our strategy messaging to demonstrate our commitment to becoming a Net Zero organisation.

Sustainable construction

BTP has not had any major refurbishments during 2022-23 but are in the planning stages to relocate the London Hub. Whilst the landlord is responsible for the refurbishment, BTP are fully consulted, and all sustainability and Net Zero Carbon

factors are included in the plans.

Suppliers are required to comply with ISO 14001 which maps out an effective environmental management system providing assurance that environmental impact is being measured and improved. In respect of Ethical Sourcing, we followed the requirement such that supply chain partners are required to evidence ethical sourcing practices by providing formal certification and supporting procedures. When delivered, suppliers must provide verified certification for products, for example FSC approved timber.

Hugh Ind

Accounting Officer

Date 17 July 2023



ACCOUNTABILITY REPORT



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CORPORATE GOVERNANCE REPORT

DIRECTORS' REPORT

Authority Members:

**RON BARCLAY-SMITH****Chair**

Re-appointed 5 March 2022 with a term of four years and a notice period of three months.

BTPA responsibilities:

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

Appointments outside BTPA:

- Royal Institute of Chartered Surveyors: Member of the Regulatory Tribunal
- Pitteadie Castle Ltd: Director and Co-Owner

**BILL MATTHEWS**

Reappointed 31 October 2019 with a term of three years and a notice period of three months. Term ended 30 April 2023.

BTPA responsibilities:

- Police Authority
- Scottish Railways Policing Committee: Chair
- Pensions Working Group: Chair

Appointments outside BTPA:

- National Register of Scotland: Non-Executive Advisor
- Self-employed: Association of Chartered Certified Accountants (ACCA) and Nursery and Midwifery Council (NCM)
- Unitary Board of Independent Office of Police Conduct: Non-Executive Member
- Scottish Criminal Cases Review Commission: Chair
- Scottish Futures Trust: Director
- Redress Scotland: Interim Chair



BEVERLEY SHEARS

Appointed 26 January 2017 with a three-month extension granted. Reappointed 3 April 2020 with a term of four years and a notice period of three months.

BTPA responsibilities:

- Police Authority
- Performance and Delivery Committee
- Pensions Working Group
- People and Culture Committee: Chair

- Stakeholder Engagement Working Group (from February 2023)

Appointments outside BTPA:

- North West Anglia NHS Trust: Non-Executive Director Deputy Chair
- De Montfort University: Independent Governor
- De Montfort University Students Union DSU Ltd: Director
- Blue Amaranth Consulting Ltd: Owner



MARTIN RICHARDS

Appointed 26 January 2017 with a three-month extension granted. Reappointed 11 March 2021 with a term of two years and a notice period of three months. Term ended 25 January 2023.

BTPA responsibilities:

- Police Authority
- Policing Plan Working Group: Chair
- Stakeholder Engagement Working Group: Chair (until January 2023)
- Strategy and Planning Committee

- Appointments, Remuneration and Appraisal Committee
- Complaints Review Panel

Appointments outside BTPA:

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



WILLIE GALLAGHER

Appointed 26 January 2017 with a three-month extension granted. Reappointed 11 March 2021 with a term of four years and a notice period of three months.

BTPA responsibilities:

- Police Authority

- Stakeholder Engagement Working Group: Chair (from January 2023)
- Performance and Delivery Committee
- Scottish Railways Policing Committee

Appointments outside BTPA:

- TSL Scotland Ltd: Director
- PWE Solutions Ltd: Director



ANDREW COOPER

Appointed 20 May 2019 with a term of four years and a notice period of three months. Appointed Interim Deputy Chair 1 December 2020 with a term of one year. Interim Deputy Chair extended by a further six months until 31 May 2022 and then further extended to 19 May 2023. Reappointed 20 May 2023 with a term of four years and a notice period of three months, including extension as Deputy Chair until 30 September 2023.

BTPA responsibilities:

- Police Authority
- People and Culture Committee
- Audit and Risk Assurance Committee
- Strategy and Planning Committee: Chair
- Stakeholder Engagement Working Group (from February 2023)

Appointments outside BTPA:

- Permanent Way Institution Ltd: Non-Executive Director (no remuneration)



GRAHAM EVANS

Appointed 20 May 2019 with a term of four years and a notice period of three months. Left 29 December 2022.

BTPA responsibilities:

- Police Authority
- Audit and Risk Assurance Committee
- Stakeholder Engagement Working Group
- Performance and Delivery Committee

Appointments outside BTPA:

- UK Hospitality: Senior Counsel (Contractor not employee)
- Parkdean-Resorts Ltd: Senior Counsel (Contractor not employee)
- GTE Consultants: Director
- Political Insight UK Ltd: Director



KENNA KINTREA

Appointed 20 May 2019 with a term of four years and a notice period of three months. Reappointed 20 May 2023 with a term of four years and a notice period of three months.

BTPA responsibilities:

- Police Authority

- Audit and Risk Assurance Committee: Chair
- Scottish Railway Policing Committee
- Stakeholder Engagement Working Group (from February 2023)

Appointments outside BTPA:

- Akoroa Ltd: Owner and sole director
- NNB Generation Company (HPC) Limited: Independent Non-Executive Director



SIR CRAIG MACKAY

Appointed 20 May 2019 with a term of four years and a notice period of three months. Reappointed 20 May 2023 with a term of four years and a notice period of three months.

BTPA responsibilities:

- Police Authority
- Performance and Delivery Committee: Chair

- Strategy and Planning Committee

Appointments outside BTPA:

- Civil Nuclear Police Authority: Interim Chair (until December 2022), Independent Member (from January 2023)
- CTM Strategy and Consulting Ltd: Director (Small scale business – consultancy work)
- City of London Police Authority: Independent Member



FIONA BRUNSKILL

Appointed 23 February 2022 with a term of four years and a notice period of three months.

BTPA responsibilities:

- Police Authority
- Appointments, Remuneration and Appraisal Committee

- Pension Working Group
- Strategy and Planning Committee: Deputy Chair

Appointments outside BTPA:

- Transport for London: Director, People and Cultural Change (until October 2022), Interim Chief People Officer Director (from October 2022)



EMIR FEISAL

Appointed 28 February 2022 with a term of four years and a notice period of three months.

BTPA responsibilities:

- Police Authority
- Audit and Risk Assurance Committee: Deputy Chair
- Pension Working Group
- Strategy and Planning Committee

Appointments outside BTPA:

- YMCA London City & North: Director of Corporate Services (Part Time)
- Companies House Crown Way: NED & Chair of Audit
- The Bar Standards Board: NED
- The Pension Ombudsman: NED
- Driver and Vehicle Standards Agency Berkeley House: NED & Chair of Audit

- The Serious Fraud Office: NED & Chair of Audit (until August 2022)
- Disclosure and Barring Service: NED & Chair of Audit (from April 2023)
- The Judicial Appointments Commission Clive House: Commissioner
- Public Service Honours Committee Cabinet Office: Committee member
- Ministry of Justice: Magistrate, & Judge of the family Court
- The Henry Smith Charity: Trustee & Chair of the D&I Sub-committee
- Complimentary and Natural Healthcare Council: Disciplinary Panel member
- The Queen's award for Voluntary Services: Committee member (until August 2022)
- Wycombe Abbey, Independent Girls School: Governor (from December 2022)
- Greenseas Trust: Company Secretary



MIKE GALLOP

Appointed 23 February 2022 with a term of four years and a notice period of three months. Left 14 January 2023.

BTPA responsibilities:

- Police Authority
- Performance and Delivery Committee: Deputy Chair

- Stakeholder Engagement Working Group: Deputy Chair
- Strategy and Planning Committee

Appointments outside BTPA:

- Network Rail Infrastructure Ltd: Route Director: Western Route



NICK HAWKINS

Appointed 28 February 2022 with a term of four years and a notice period of three months.

BTPA responsibilities:

- Police Authority
- Appointments, Remuneration and Appraisal Committee
- Complaints Review Panel
- People and Culture Committee: Deputy Chair

Appointments outside BTPA:

- Office of Police and Crime

- Commissioner: Legally Qualified Chair West Midlands Region, North East Region and South East Region
- Royal Institution of Chartered Surveyors: Lay Chair and Member, Regulatory Tribunal
- Sports Resolutions: Legal Arbitrator (Fee Paid)
- Normanton Chambers: Barrister (self-employed as a tenant in chambers)
- The Hawkins Consultancy Ltd: Director
- TRUSTESHIP UK Sports Association for People with Learning Disability: Voluntary



LORD STEWART JACKSON

Appointed 28 February 2022 with a term of four years and a notice period of three months.

BTPA responsibilities:

- Police Authority
- Audit and Risk Assurance Committee
- Complaints Review Panel
- People and Culture Committee

Appointments outside BTPA:

- Working Peer at House of Lords Life Peer: Rt Hon Lord Jackson of Peterborough
- Department for Transport: HS2 independent Residents' Commissioner (from April 2022)
- Regen Aspire Limited: Director
- UK Political Insight Ltd: Director and Non-Executive Director
- Wheelpower Charity: Chairman, Fundraising and Marketing Committee

Authority Officers

Chief Executive Officer

Hugh Ind

Chief Financial Officer and Treasurer

Sarah Church

Chief Financial Officer and Treasurer (interim from August 2022)

Rubeela Qayyum

BTP Chief Officer Group

Chief Constable

Lucy D'Orsi CVO QPM

Deputy Chief Constable

Alistair Sutherland QPM

Assistant Chief Constable: Public Contact and Specialist Crime

Charlie Doyle

Assistant Chief Constable: Specialist Operations

Sean O'Callaghan

Assistant Chief Constable: Network Policing (permanent appointment commencing March 2023 following temporary appointment to role in August 2021)

Allan Gregory

Director of Finance and Commercial Services

Tracey Martin

Director of People and Culture

Rachael Etebar

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 2.19 for BTPA's accounting policy for pensions.

The last full valuation of the Police Officer scheme took place as at 31 December 2021. It had an asset base of £1,746 million and a Technical Provisions funding level of 104%.

The last full valuation of the Staff scheme took place as at 31 December 2019. It had an asset base of £191.5 million and a Technical Provisions funding level of 103%. There was a Rules based funding level of 97%.

Fraud, bribery and corruption

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

In line with best practice, BTP and the Authority are pro-active in the prevention and detection of fraud, bribery and corruption using risk assessments to determine workstreams and areas of focus.

BTP and the Authority have a well-publicised whistle-blowing policy. There is an anonymous mechanism where employees can report any suspicions or concerns. Whistle-blowing reports are reported to the Audit & Risk Assurance Committee.

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 £143,500 (2021-22: £127,000). The delivery of this audit is part sub-contracted to KPMG LLP. Neither KPMG LLP or the C&AG undertook any non-audit work for BTPA (2021-22: £nil).

As far as the Chief Executive as the Accounting Officer is aware, all relevant audit information has been made available to the auditors. The Accounting Officer has taken all necessary steps required to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Other Parliamentary Disclosures

Following the Russian invasion of Ukraine in February 2022, BTP has seen an increase in fuel and utility costs as well as supply chain disruption, and significant economic uncertainty is expected to continue throughout 2023-24.

Events occurring after the reporting date

There are no events to report.

The Accounting Officer authorised these financial statements for issue on the date of the Comptroller and Auditor General signature.



Hugh Ind

Accounting Officer

Date 17 July 2023



CORPORATE GOVERNANCE REPORT

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Railways and Transport Safety Act (2003), the Secretary of State for Transport has directed 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 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 Accounts 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;
- Prepare the financial statements on an on-going concern basis, and
- Take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

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 her control. This appointment does not detract from the Chief Executive's overall responsibility as Accounting Officer for the BTPA's accounts.

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 BTPA grants to BTP in the spending of the budget given to it by BTPA, and BTP's full independence in policing matters. However, it remains the role of 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 BTPA's assets, as set out in Managing Public Money published by HM Treasury.

As the Accounting Officer, I have taken all the steps I ought to have taken to make myself aware of any relevant audit information and to establish that the BTP Fund's auditors are aware of that information. So far as I am aware, there is no relevant information of which the auditors are unaware. I am satisfied that the accounts are fair, balanced and understandable.



CORPORATE GOVERNANCE REPORT

GOVERNANCE STATEMENT

Accounting Officer's introduction to corporate governance

As Accounting Officer for the British Transport Police Fund, I am responsible for maintaining a strong system of governance, internal control and risk management 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 duties assigned to me by the Secretary of State for Transport.

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

As an Arm's Length Body of the Department for Transport (DfT), the BTPA Chair and Executive have regular meetings with officials. Both the Authority and the Chief Constable have access to the Ministerial team, to discuss policing and strategy.

BTPA strive for continuous improvement of governance, to ensure our duties to discharge oversight of BTP are effective and decisions are made constructively, in a culture that fosters openness and debate. This is replicated within BTP's governance structure and there is effective working between both organisations. BTP have supported continuous improvement of reporting to BTPA committees. Both organisations have worked closely together to understand and monitor strategic risks. A review of the Code of Governance which details governance

between BTPA and BTP concluded during the year with a number of changes agreed between BTPA and BTP to strengthen governance. The current Code of Governance is available on the BTPA website.

The Chief Constable has continued focusing on improving the culture and accountability at BTP, resulting in greater empowerment for employees and strengthened ownership of key areas by senior management. The results of some of the Force's internal audits, in particular a review on IT resilience and technology, reflect this improvement. Governance mechanisms maintain oversight of areas for improvement and ensure there are plans in place to address the risks in these areas.

Governance in the Policing sector is ever-more critical in light of the increased scrutiny of the external environment following some very public, high-profile reports of failings across the UK and the publication of the Baroness Casey review in March 2023. BTP and the Authority, through their governance structures, have ensured key areas have effective oversight by both BTPA committees and BTP senior management. Legitimacy is a key strand of the Strategy, both in forward planning and in day-to-day governance activities. Legitimacy has been woven into each of the BTPA committees to ensure it is being considered from different angles. Assurance over the approach to legitimacy has been obtained, both through management's own controls as well as internal audit, the results of which are used by management to ensure best practice and learning from others are used



in improving our processes and controls.

Three volumes of the Manchester Arena Inquiry have now been published. Management continues to monitor and report against the Inquiry's recommendations to ensure the Force's response leads to demonstrable improvement. Across BTP and the Authority, there is a shared goal to minimise the possibility of the tragic events of 22 May 2017 happening again. The Audit & Risk Assurance Committee continue to provide ongoing independent, objective oversight of the response to the Inquiry's recommendations. An independent review of the arrangements for identifying, managing, and delivering the lessons/actions to address the issues highlighted in the Manchester Arena Inquiry Volume 1 was commissioned during the year.

In both BTP and BTPA, risk-driven assurance is key to effective oversight activity. Internal controls are subject to risk-based audits across the three lines of defence. Strengthened reporting to BTP boards and BTPA committees enables collaborative discussions on internal controls and oversight of any remedial actions required. The use of strategic risk deep dives has

facilitated a better understanding of the risks which provide the greatest threat to the organisation, and the assurance is in place to validate that the mitigating processes and controls are designed and operating effectively.

Risks and challenges will continue to evolve in the coming year, not least from the economic environment (including the impact of the Ukraine-Russia war), changes to the rail industry following the government's plans to reform the railways and a continued public and media spotlight on police legitimacy and conduct. BTP and the Authority will continue to use, and adapt where necessary, strong governance, risk management and internal controls to ensure compliance and accountability.

Governance Structure at 31 March 2023

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 cost allocation 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
- Employ police constables and staff
- Regulate the government, administration and conditions of those employed by BTP
- Set a strategy, objectives and budget for the policing of the railway
- Undertake public consultations

Sub-Committees and BTP Chief Officer Group

Appointments, Remuneration and Appraisal

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

Scottish Railways Policing

- Provide accountability and transparency for railway policing in Scotland
- Provide oversight and scrutiny of the safe and effective management of railway policing in Scotland
- Assess and report to BTPA on value for money in relation to those elements of the BTPA Fund invested in railway policing in Scotland

Audit and Risk Assurance

- Review and advise on matters relating to the internal and external audit of BTPA
- Provide the Authority and Accounting Officer with a recommendation to sign the financial statements and governance statement
- Advise the Authority on the effectiveness of the BTPA and BTP's plans for risk management, control and governance

Pension Working Group

- Provide oversight of the police officer and police staff pension schemes
- Endorse recommendations on pensions to the People & Culture Committee

Performance and Delivery

- Monitor and challenge operational and business performance and delivery of strategic and annual plans

People and Culture

- Oversee and appraise BTP's approach towards matters pertaining to people, culture, leadership and behaviours.

Strategy and Planning

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

Stakeholder Engagement Working Group

- Oversee and advise on BTP and BTPA's communication and engagement with industry, the public and other important stakeholders as well as alignment of BTP and BTPA stakeholder engagement
- Oversee refresh of the Policing Plan

Complaints Review Panel

- Independently review BTP locally handled complaint enquiries when requested by a member of public, focused on the handling and the outcome of the complaint and whether this was reasonable and proportionate
- Considers organisational learning and trends arising

BTP 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

The Police Authority

The Authority meets up to six times a year and is required to make specific decisions according to the statutory duties noted above.

The Chair and Members of BTPA 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 across England, Scotland and Wales. Members are not intended to be representative 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. Meeting attendance details are included in this section.

Sub-Committees

The sub-committees listed below have been formally scheduled throughout the year. This does not take into account additional extraordinary committee meetings, regular breakfast briefings, training sessions and Member-only sessions.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (ARAC) is chaired by Kenna Kintrea. It currently has four Members, met five times in 2022-23 and undertook a wide range of assurance activities, including overseeing:

- Risk Management and Counter-Fraud activities
- Financial compliance, including Accounts preparation and compliance with standards and regulations
- The Internal Audit and External Audit programmes
- His Majesty's Inspectorate of Constabulary Fire and Rescue Services (HMICFRS) and His Majesty's Inspectorate of Constabulary Scotland (HMICS) inspection programme

- The submission of the Management Assurance Return to the DfT
- Overseeing the implementation of remedial actions resulting from audits, external reviews and submissions to the DfT
- Monitoring and assessing compliance with and performance against statutory duties
- Risk deep dive on Cyber (risk deep dives on Technology and Major Incidents took place in 2021-22)

Appointments, Remuneration and Appraisal Committee

The Appointments, Remuneration and Appraisal Committee is chaired by Ron Barclay-Smith. It currently has three Members, met three times in 2022-23 and considered issues including:

- Assistant Chief Constable Recruitment
- Senior Officer and Staff Performance Reviews

Performance and Delivery Committee

The Performance and Delivery Committee is chaired by Craig Mackey. It currently has three Members, met four times during 2022-23 and exists to scrutinise BTP's policing plan and financial and commercial performance, and its performance across key areas of Legitimacy. During the year it considered a range of standing and thematic matters as set out in its annual plan of work, including:

- Quarterly monitoring of Policing Plan and Financial and Commercial performance
- Quarterly monitoring of Legitimacy including Arrests, Custody, Use of Force, and Stop and Search
- Thematic items on topics including Football Policing, Stop and Search, Custody and Use of Force, Taser and Use of Force
- Risk deep dives on Legitimacy and Income

Strategy and Planning Committee

The Strategy and Planning Committee is chaired by Andy Cooper. It currently has four Members, met four times during 2022-23 and exists to ensure an integrated approach to the development of the Strategy, Medium Term Financial Plan, Policing Plan and annual Budget. Throughout the year it considered:

- Dispensing with the 2021-22 Cost Allocation Model Wash Up process.
- Recommendation of business cases to the Full Authority including a new London hub and FHQ data relocation
- Updates on A Force on the Move transformation programme
- The allocation of Police Service Agreement Charges to industry for 2023-24
- Annual review of the 2022-25 Policing Plan
- Integrated Security and Policing Pilot
- Risk deep dives on Partnership Working and Change Management

The Committee also oversaw the development of the Medium-Term Financial Plan 2024/28.

Scottish Railways Policing Committee

The Scottish Railways Policing Committee was chaired by Bill Matthews during 2022-23, whose term ended 30 April 2023, and is now chaired by Ron Barclay-Smith. It has three Members from BTPA and two Members from the Scottish Police Authority (SPA). It met four times in 2022-23. The Committee provides assurance to the BTPA, SPA and Scottish Government Ministers on the delivery of railway policing in Scotland. Throughout the year it considered:

- Quarterly monitoring of BTP Policing Plan performance in Scotland
- Quarterly monitoring of examples of joint working between BTP and Police Scotland
- Quarterly monitoring of BTP audit and inspection activity with reference to Scotland

- Annual Review of 2022-25 Policing Plan with regards to Scotland
- Thematic items on BTP Sustainability/ Net carbon Zero, A Force on the Move transformation programme, Stop & Search, Professionalism and Force Crime Assessment and Allocation Policy
- BTP Neighbourhood Policing Strategy 2022-25
- Engagement with industry partners from Scotland
- Annual value for money report for BTP in Scotland

People and Culture Committee

The People and Culture Committee is chaired by Bev Shears. It currently has four Members. It met five times in 2022-23 and considered a range of issues including but not limited to:

- Quarterly monitoring of People performance data
- Professionalism
- People Strategy 2022-25
- Attraction, Recruitment and Retention
- All People Survey Results
- Strategic Workforce Plan
- Learning & Development
- Staff and Police Officer Pay Award
- Working Flexibly Benefits Analysis
- Force Equality, Diversity and Inclusion
- Initiatives to promote appropriate internal culture within the Force
- Gender and Ethnicity Pay Gap Reports
- Annual Report of Complaint Reviews
- Wellbeing, Health and Safety
- Risk deep dives on Legitimacy, Recruitment and Retention, Health and Safety

Stakeholder Engagement Working Group

The Stakeholder Engagement Working Group was established in year on 29 June 2022 and is chaired by Willie Gallagher. It replaced the former Policing Plan Working Group, chaired by Martin Richards. The Stakeholder Engagement Working Group reports to the Strategy and Planning Committee. It currently has four Members and met three times in 2022-23. It is responsible for overseeing and advising on communication and engagement with industry, the public and other important stakeholders by the Force and the Authority, as well as any refresh of the Policing Plan.

Pension Working Group

The Pension Working Group reports to the People and Culture Committee. It was chaired by Bill Matthews during 2022-23 and currently has four Members. It met twice in 2022-23. It is responsible for overseeing pension issues pertaining to the Force and the Authority, including but not limited to Police Officer and Police Staff Scheme Valuation(s), the Schemes themselves, and BTP Pension Policy.

Complaints Review Panel

The Complaints Review Panel exists independently to review the handling and outcome of complaints and determine whether the complaint in question was dealt with reasonably and proportionately and the outcome logically flows from the findings. In addition to providing assurance to the public in respect of how their complaints have been handled, the Panel also considers any themes or trends and wider organisational learning with reference to complaints. This is in accordance with the Complaints and Misconduct Regulations 2020 and the Independent Office of Police Conduct Statutory Guidance. It consists of two Members and the Head of Governance and Compliance, and met 11 times to consider 34 reviews in 2022-23. Its annual report was submitted to the People and Culture Committee in March 2023.



Committee Attendance

Member name	Number of Authority meetings attended/number of Authority meetings available	Number of Appointments, Remuneration and Appraisal Committees attended/number of Committee dates available	Number of Complaints Review Panel meetings attended/number of Committee dates available	Number of People and Culture Committees attended/number of Committee dates available	Number of Audit and Risk Assurance Committees attended/number of Committee dates available
Ron Barclay-Smith	5/5	3/3			
Andrew Cooper	5/5			5/5	4/5
Fiona Brunskill	4/5	3/3			
Graham Evans ¹	4/4				4/4
Emir Feisal	4/5				1/5
Mike Gallop ²	3/4				
Willie Gallagher	4/5				
Nick Hawkins	5/5	3/3	11/11	5/5	
Stewart Jackson	5/5		9/11	4/5	5/5
Kenna Kintrea	5/5				5/5
Sir Craig Mackey	3/5				
Bill Matthews	4/5				
Martin Richards ³	4/4	2/3	7/9		
Beverley Shears	4/5			5/5	

¹ Graham Evans resigned on 29 December 2022

² Mike Gallop resigned on 14 January 2023

³ Martin Richards' term ended on 25 January 2023

Committee Attendance

Member name	Number of Performance and Delivery Committees attended/ number of Committee dates available	Number of Strategy and Planning Committees attended/ number of Committee dates available	Number of Scottish Railways Policing Committees attended/ number of Committee dates available	Number of Stakeholder Engagement Working Groups attended/ number of meeting dates available	Number of Pension Working Groups attended / number of meeting dates available
Ron Barclay-Smith					
Andrew Cooper		4/4		1/1	
Fiona Brunskill		4/4			1/2
Graham Evans ⁴	3/3			2/2	
Emir Feisal		4/4			1/2
Mike Gallop ⁵	3/3	3/3		1/2	
Willie Gallagher	4/4		3/4	3/3	
Nick Hawkins					
Stewart Jackson					
Kenna Kintrea			2/4	1/1	
Sir Craig Mackey	4/4	4/4			
Bill Matthews			4/4		2/2
Martin Richards ⁶		2/3		2/2	
Beverley Shears	3/4			1/1	2/2

4 Graham Evans resigned on 29 December 2022

5 Mike Gallop resigned on 14 January 2023

6 Martin Richards' term ended on 25 January 2023



Executive Team

BTPA has an Executive Team of 14, covering strategy and performance, governance, compliance, finance, communications and stakeholder engagement.

BTPA's Chief Executive Officer is appointed the Accounting Officer by the Principal Accounting Officer at the DfT.

BTPA's Chief Financial 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.

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

Over the past year the BTP and BTPA have worked to embed risk management further in their activities. A deep dive process has been conducted on all strategic risks allowing for owners to provide greater assurance on how the strategic risk is being managed and for committees to receive a breadth of information on the risks they retain oversight on. This process has allowed the scoring and wording of each risk to be refined and provide assurance that the risks are being managed at the right level and for the committees to monitor the delivery of actions to mitigate the risks more effectively.

Risk management remains a standing

item at all BTPA committees and at the Force Executive Board meetings and annual workshops are held with Authority Members, the Executive and Chief Officers to conduct horizon scanning, set risk appetite levels, and review strategic risks and opportunities against the strategic objectives.

BTP/A acknowledges there is still more to do to fully embed risk management across the organisation. The deep dive process will continue for 2023-24 but will be more focused in its approach. Work will be undertaken to enhance the process by considering strategic planning and performance to provide more insight into the risks and enable greater risk-based decision making.

To enhance risk management, the BTP has identified a maturity model to assess its risk process against and will be undertaking an assessment against this within 2023-24 to plan how to build on the good work already undertaken.

Risks are assessed using a 5 x 5 impact and probability matrix with well-defined scoring criteria, and target scores are allocated based on the risk appetite. Through the strategic risk deep dives, the work of the Audit, Risk, Inspection and Compliance Board, audits and inspections and general assurance work, risk controls are reviewed to ensure they are working effectively to manage the risk. This will continue to be a focus and will be developed further through the work to improve our risk maturity. Quarterly reviews of the strategic risks document the mitigations and future actions required to reduce the score towards its target score.

The current assessment of the Strategic Risk Register and uncertainties facing the BTP and the Authority are presented on the following page.

CORPORATE GOVERNANCE REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

2022–27 Strategic Objectives:

-  Crime prevention and safeguarding to reduce the likelihood of people coming to harm on the railways
-  Target our efforts to ensure fewer victims of the most serious crime
-  Innovate and collaborate with our stakeholders to reduce disruption
-  Build the trust and confidence of passengers and rail staff to defeat criminality together
-  Generate value for money through the exploitation of technology, adapting to meet the future
-  Build a modern and inclusive Force where our people are well-equipped, well-trained, well-led, well-cared for and reflect the best of our communities

Key to Future Trend

(medium – long term, over the next 1–5 years):

Risk expected to remain stable:




Risk expected to increase in 2023/24:





Risk expected to decrease in 2023/24:




Risk	Mitigating Actions in place	Future trend
Recruitment & Retention: Due to challenges in the recruitment market, BTP may not be able to attract, retain, and progress employees who exemplify our values, leading to a loss of confidence and trust from the public 	<ul style="list-style-type: none"> • Benefits scheme in place for employees to take advantage of e.g. healthcare, cycle to work scheme etc • Pay award and uplift in allowances for 2022-23 • Current benefits of home/blended working in place for certain roles • Enhanced Inclusion & Diversity resources in place to attract a more diverse range of candidates • Initial People/eligibility checks carried out for applicants prior to vetting • Market supplements available for specialist roles where evidence supports their use • Strategic Workforce Planning Board in place • Strong online/social media presence which promotes good work of BTP • Efficient and effective Vetting system in place • Wellbeing hub, Trauma Risk Management, and Mental health support • Reporting on exit interviews to gain insight • Five-year strategic workforce plan 	<p>< ></p> <p>This risk relates to the strategic objective on Building a Modern and Inclusive Workforce and is expected to remain stable over the next three years.</p>

Risk	Mitigating Actions in place	Future trend
Legitimacy: Due to unfair policing practice or ineffective professional standards, BTP may not be able to provide a trusted and legitimate service to the public, leading to a lack of public confidence 	<ul style="list-style-type: none"> • Active support groups for our Black, Asian and minority ethnic employees (SAME – Support Association for Minority Ethnic Staff) and AMP (Association of Muslim Police) as well as eight other employee networks that aim to support all those from diverse backgrounds • All staff complete mandatory training on “Abuse of Position” • Clear reporting processes in place to report wrongdoing internally which are well used • Strategy in place to reduce violence against women and girls • Established processes in place for Business Interests, Gifts & Hospitality, and for staff to report any changes in circumstances • Independent Scrutiny Panels in place for Stop & Search and Use of Force • Initial People/eligibility checks carried out for applicants prior to vetting – this weeds out some people who don't meet BTP standards • Strategic Inclusion & Diversity Board in place • Strategic Independent Advisory Group in place to engage with representatives from different communities • Use of Powers Board in place • Vetting process in line with College of Policing Authorised Professional Practice • Vetting processes accredited to ISO 9001 	<p>< ></p> <p>This risk links to the strategic objective to build trust and confidence. Public trust and confidence is expected to decrease in the short term due to the current public perception of policing. As the initiatives put in place start to show positive results, the risk will become stable over the next three years. Linked closely to the Recruitment and Retention risk, there are controls to ensure BTP are recruiting suitable people into Policing.</p>


Risk	Mitigating Actions in place	Future trend
<p>Partnership Working: BTP and the Authority may not capitalise on opportunities and relationships with external partners to deliver more effective and efficient services in response to demand, leading to financial loss and operational impacts.</p> 	<ul style="list-style-type: none"> • Agreement from partners to move from an annual cycle to a three-year policing plan cycle to provide greater certainty on priorities to encourage more commitments to partnership working • Good regular engagement by BTP and BTPA with industry partners via a number of existing forums where multiple partners are present • Regular presentations provided to Train Operating Companies (TOCs), charities, DfT and ministers on County Lines to increase awareness • Appointment of dedicated Head of External Engagement to lead and coordinate regular communication to stakeholders on BTP work • BTP and BTPA engagement with key partners on Great British Railways to influence the future of the security provision to the railway • Regular relationship management meetings with a number of its main partners including Network Rail, Transport for London and Rail Delivery Group • CRM system in place to manage and target stakeholder communications 	<p>< ></p> <p>Partnership working is a key element of our current strategy – to innovate and collaborate with partners. Positive engagement with stakeholders reduced this risk previously. We have plans in place to continue to strengthen partnerships which will maintain the stability of this risk over the next three years. This includes the Integrated Security & Policing Pilots, which have the potential to change how we work with partners in the future.</p>


Risk	Mitigating Actions in place	Future trend
<p>Cyber & Data Security: Failure to protect and manage our data and information may result in a significant data loss which leads to a loss in confidence, operational risk, regulatory censure and financial loss.</p> 	<ul style="list-style-type: none"> • Cyber Monitoring Tool in place to proactively identify IT weaknesses / threats to BTP • Cyber Team part of national Cyber Working Group for policing to identify threats and share best practice • Cyber incident response plan in place, including regular patching across the network • Information Asset Owners identified for all BTP systems • Information Assurance Board in place to provide oversight of information and technology processes and systems • National Data Protection Impact Assessment in place for policing for Office 365 products • Vulnerability management and patching processes designed to keep our technology assets up-to-date and less vulnerable to common cyber attacks • Regular audits and health checks help to assure continuity of service and access to shared resources • Security Maturity Assessment conducted by industry experts to identify current maturity status and benchmark against other organisations • Undertaking and remediating our formal accreditation programmes • Cyber Security Framework, Strategy and associated programme plan to improve the overall Cyber Security maturity across BTP 	<p>< ></p> <p>This risk is expected to remain stable over the short term and next three years based on the current plans to mitigate and control. Although the threat of Cyber-attacks remains high in the current global climate, BTP and BTPA remain vigilant to this threat to our operations.</p>


Risk	Mitigating Actions in place	Future trend
<p>Income: Due to economic pressures on BTP's funders or not being able to sufficiently demonstrate we are using our resources effectively and efficiently, BTP may not be able to secure the level of income required to deliver the level of service to meet current and future demand, leading to an operational and reputational impact.</p> <p>  </p>	<ul style="list-style-type: none"> • Oversight of financial reporting including risks and opportunities • Five-year Medium Term Financial Plan agreed by the Authority and communicated to DfT • Finance policies including Reserves Policy in place • Budget holder training and delegation letters • Crown Commercial Service Procurement framework used • Finance Assurance Board in place to provide oversight of financial controls • Finance provide Value for Money review for all business cases • Finance software enhanced to provide greater oversight of purchases • Regular meetings / engagement with key stakeholders (Rail Delivery Group, TOCs, DfT sponsor team) • Research into potential new funding streams 	<p>▼</p> <p>BTP has a strategic objective to generate value for money. While current external economic pressures pose an increased risk, both in terms of managing budgets and an increased risk of fraud, strengthened financial controls and oversight will reduce the risk over the next 1-3 years. A continued, joint focus on financial governance and controls is ongoing.</p>

Risk	Mitigating Actions in place	Future trend
<p>Transformation: Due to emerging influences on our strategy and policy plan, BTP/A may not design and deliver a sustainably funded and resourced strategic transformation portfolio to provide an affordable, effective, and efficient service, leading to operational, reputational, and financial impacts.</p> 	<ul style="list-style-type: none"> • PMO in place to track and report on programme/project delivery • Change strategy and cascade led by the Chief Constable and Chief Officer Group, supported by organisational leadership • Devolved programme architecture in place providing Chief Officers as Senior Responsible Owners (SROs) with ownership of change within their span of command, supported by dedicated project and change resources. Dedicated Finance Business Partner in place for change portfolio • ENTERPRISE project and programme management methodology in place to govern project lifecycle and provide a full suite of project controls • Investment planning and Medium Term Financial Plan prioritisation process in place to align investment with affordability and strategic priorities • Portfolio Change & Investment Board (PCIB) in place to review portfolio progress and approve business cases / Handover Reports / Post-Implementation Reviews and Change Control • Regular SRO Portfolio delivery reviews chaired by Deputy Chief Constable • Scheme of Delegation in place ensuring high value investment business cases are reviewed and approved at successively senior boards, including at BTPA level • Regular updates on transformation progress to Strategy and Planning Committee 	<p>▼</p> <p>The transformation portfolio is a key enabler to deliver the strategy. Strong governance remains in place around programme and project management and this risk is forecast to reduce over the next three years.</p>



Risk	Mitigating Actions in place	Future trend
<p>Wellbeing, Health & Safety: Due to a lack of understanding of Health, Safety & Wellbeing responsibilities and inadequate H&S resourcing, BTP and BTPA may fail to embed a culture where the wellbeing, health and safety of staff is engrained in everything we do. This could lead to harm to our people and the public, legislative non-compliance and enforcement action.</p> 	<ul style="list-style-type: none"> • Safety Management System implemented to standardise H&S reporting and better enable trends to be identified • Central Health & Safety Committee in place quarterly to review H&S risks/issues including officer assaults and wellbeing • H&S governance structure and framework in place with up-to-date Health and Safety Policy, legally compliant arrangements, and guidance in place • Review and monitoring arrangement available and communicated on the H&S Hub and discussed at divisional H&S committees • Trauma Risk Management support in place for those who need support from traumatic events • Wellbeing hub in place to support officers/staff on a range of wellbeing issues • Wellbeing, Health & Safety Strategy published • Suitable and Sufficient Risk Assessment in place • BTP wellbeing projects aligned to the National Police Wellbeing Service projects and research 	<p>▼</p> <p>Wellbeing remains an important area of focus for BTP/A. A lot of work in this area was undertaken in 2022-23 and BTP and BTPA expect to see this risk continue to reduce over the next three years as our controls embed and mature.</p>

Risk	Mitigating Actions in place	Future trend
<p>Major Incidents: Failure to effectively plan and prepare, including scenario testing, for a major incident, terror attack, pandemic or natural disaster, which may lead to an operational impact, financial loss and loss of public confidence.</p> 	<ul style="list-style-type: none"> • BTP embedded into wider National Police Chief's Council (NPCC) National Counter Terrorism (CT) structures and forums at strategic and tactical levels for lessons learnt to influence BTP preparedness • Strategic Threat and Risk Assessment (STRA) regularly reviewed and operational response to locations identified within STRA • New model for Exercise and Testing and participation with exercising and testing with other forces/organisations • Increased understanding of BTP jurisdiction for major incident responses • SABRE app, which is the gateway to emergency plans and aide memoires, is available for officers to use on mobile devices • Bimonthly Civil Contingencies Strategic Coordination meeting established to have a clear focus on planning and testing • Five-day CT input in place for new student officers with emphasis on 'Vigilance' • Exercise & Testing Calendar in place to ensure maximum capacity of existing training is utilised. 	<p>▼</p> <p>There has been a lot of work in this area to maintain capability and to build on the recommendations from the Manchester Arena Inquiry. While this remains a high impact threat, BTP and BTPA expect this risk to reduce over the next three years as our additional controls embed and our capability increases as a result.</p>

Risk	Mitigating Actions in place	Future trend
<p>Technology: Failure to deliver an appropriate and effective digitalised police service due to lack of a robust and well-managed strategic plan, funding, capacity and capability, leading to disengagement of staff, operational challenges and financial loss.</p> 	<ul style="list-style-type: none"> • Fixing the Fundamentals Strategy approved to stabilise and improve IT infrastructure • Continuous investment in our End User Compute devices around software management, and cyclical hardware replacements • Dedicated Digital Policing Team in place to manage digital ambition and measure the benefit of digital delivery • IT Change Board in place to consider impact of changes to IT systems • Annual IT Health Check (ITHC) in place to enable accreditation to key Home Office systems e.g. Police National Computer, Police National Database, Airwave • IT cyclical replacement forecast and plan agreed and budgeted • Proactive management of core IT suppliers to ensure financial control and optimisation • IT Strategy and Delivery Plan agreed for Fixing the Fundamentals • Recruitment and development strategy to support IT Strategy & Delivery Plan 	<p>▼</p> <p>Technology is a key enabler for all the strategic objectives. A lot of work has been carried out in the Fixing the Fundamentals Programme. As a result, this risk is expected to continue to reduce as the Force technology area becomes more stable and is able to support our strategy objectives more effectively.</p>



Statement of information risk

BTPA must maintain the confidentiality, integrity and availability of its information to operate effectively, efficiently and securely. Compliance is required with the Cabinet Office controls, Home Office and National Cyber Security Centre requirements, UK Data Protection legislation and all pertinent law and guidance for the policing community.

To discharge these responsibilities, BTPA must have policies and control measures in place to ensure that access to information is compliant, correctly managed and safeguarded throughout its life cycle. There is a governance structure in place to ensure that all statutory responsibilities have responsible owners, and a dedicated team who assess information risks and mitigate these to an acceptable level.

All key policies are up to date and issued. The Information Board (IB) and the Information Assurance Board (IAB) act as force-wide governance, compliance and assurance meetings, reporting into the BTP Audit, Risk, Inspection & Compliance Board (ARIC).

BTPA continues 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. These initiatives contribute to the Force's strategic priorities of enabling agile working and investing in technology that helps reduce duplication of information, creates a self-service capability and pushes information to frontline officers.

Archiving of information is a key area of oversight for the Information Board. As a police force, BTP is actively looking at additional ways to digitise information management. Recent adoptions of new systems are helping the force to move away from the creation of physical records such as case files and CCTV discs. The scope of these systems is being explored to move records and information away from the physical to the digital. The Information Management function

continues to strive for improvements in Data Quality in key systems supporting operational policing and decision-making.

Personal data related incidents

During 2022-23 there were 46 (2021-22: 32) incidents involving personal data breaches which were assessed for threat, risk and harm to individuals. One of these required proactive reporting to the Information Commissioner's Office (ICO) during this period (2021-22: 0), however no further ICO action has resulted. BTP continues to take a proactive approach to report within the prescribed notification period of 72 hours from being aware of a potential incident where required.

There were three Data Protection Concern referrals received from the ICO in 2022-23 (2021-22: seven). None required substantive further action beyond communication of BTP's position.

Assurance activities

Internal Audit

The Government Internal Audit Agency (GIAA) was engaged to conduct an annual plan of risk-based internal audits on behalf of BTPA.

There were seven internal audits in 2022-23 and one advisory engagement undertaken by GIAA which is consistent with 2021-22. Areas of audit this year were: Physical Security, IFRS 16 Leases Key Controls, Inclusion & Diversity, Technology Governance, Net Zero Strategy & Governance, Travel Expenses, Force on the Move Transformation: embedded assurance, and Manchester Arena Inquiry Lessons advisory report. The annual audit opinion remains a "moderate" assurance rating reflecting that while there are some areas that can be strengthened, BTPA's frameworks for governance and control are largely operating effectively in helping to deliver its objectives.

Though the overall opinion remains consistent with 2021-22, GIAA gave a slightly higher percentage of Moderate opinions this year and agreed fewer actions. This, alongside observing strengthening in some key areas – including technology and with key strategic priorities, are good indicators of continuous improvement within the Moderate band. Management welcomes the overall Internal Audit assurance rating and individual report findings, which support continued improvement in the BTP and BTPA control environment.

Technology Governance received a Substantial rating as it was found to be well managed with good oversight. Physical Security and Travel Expenses received Limited assurance opinions and management acknowledge the need for improvement in these areas. Risk management continues to be a key area of focus and has improved with an effective underlying framework in place and a well-established approach to strategic risk management adding value. However, sustained efforts are still needed to effectively embed risk management across the organisation, particularly at a local/operational level. Another area highlighted as a continued key area of focus is Strategic planning, resourcing and change with the need to take a strategic and structured view to workforce planning and organisational management. GIAA also recommended improvements in project benefits monitoring and reporting to help strengthen strategic planning.

There remains a firm commitment from management to address themes, findings

and risks identified by GIAA. Audit actions are tracked both at BTP's Audit, Risk, Inspection and Compliance Board and the Audit and Risk Assurance Committee. GIAA work with management to perform follow-up testing on agreed actions deemed to be complete.

Management Assurance Return

The Management Assurance Return (MAR) is submitted to the DfT each year to allow them to gain assurance on specific areas of governance and internal control. BTP and the Authority find it a valuable process to obtain assurance of key areas across the organisation. In assessing each functional area, other sources of assurance are reviewed and an assessment is performed over governance, control and risk management in each area. Evidence is independently scrutinised by BTP and the Authority. The MAR is a second line of assurance mechanism which is reviewed quarterly at the Audit and Risk Assurance Committee. Members review quarterly changes in ratings and so have real-time oversight of any emerging issues.

HMICFRS

During 2022-23, BTP was inspected against His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) PEEL (Police Efficiency, Effectiveness and Legitimacy) Inspection Programme and also participated in national thematic inspections. The PEEL inspection programme activity for 2022-23 consisted of the below areas (the PEEL Inspection Report is still awaiting a publication date):

Operational Assessment (Public Treatment/Engagement)	Date of Inspection
<ul style="list-style-type: none"> How good is the force at engaging with the people it serves and treating them fairly, appropriately and respectfully 	May 2022
<ul style="list-style-type: none"> How good is the force at preventing and deterring crime, anti-social behaviour and vulnerability 	
<ul style="list-style-type: none"> How good is the force at protecting vulnerable people 	
<ul style="list-style-type: none"> How good is the force at building, developing and looking after its workforce and encouraging an ethical, lawful and inclusive workplace 	
<ul style="list-style-type: none"> How good is the force at planning and managing its organisation efficiently, making sure it achieves value for money, now and in the future 	
<ul style="list-style-type: none"> How good is the force at building, developing, and looking after its workforce and encouraging an ethical, lawful, and inclusive workplace? 	October 2022
<ul style="list-style-type: none"> How good is the force at planning and managing its organisation efficiently, making sure it achieves value for money, now and in the future? 	
Vetting & Counter Corruption <ul style="list-style-type: none"> How good is proactive and disruptive action taken by the force and effective vetting management in reducing the threat and risk posed by police corruption 	October 2022

BTP fully engaged with the inspectors during and after the inspections and have accepted each of their recommendations. BTP will invite HMICFRS to come back to review progress against the recommendations when they have been completed.

The BTP is also inspected as part of HMICFRS's national inspections. This year, BTP has been inspected as part of HMICFRS's Inspection in relation to arrangements for tackling Serious and Organised Crime. The BTP was inspected as a key partner with the Metropolitan Police Service and City of London as part of the London regional response to serious and organised crime. The inspection looked to answer how good the Force is at disrupting serious and organised crime and received an Adequate grading.

In addition, BTP was consulted as an interested party in relation to HMICFRS's Digital Forensic Inspection. This inspection examined how effective is the provision of digital forensics in forces and Regional Organised Crime Units and how well do they understand and plan for future demand.

BTP regularly monitors recommendations from its inspections. Completion of these is presented to the Force Executive Board each month and quarterly at the BTPA Audit & Risk Assurance Committee and the Scottish Railways Policing Committee. BTP also review HMICFRS reports published on the inspection of other forces to identify any good practice and risks to ensure these are known and can be addressed as needed.

Other sources of Assurance

BTPA present an assurance map to the Audit and Risk Assurance Committee which outlines all the sources of assurance for each strategic risk, across the three lines of defence.

There are a number of third line of defence assurance mechanisms – audits and independent reviews – by regulatory bodies and peers. These cover a broad spectrum of areas such as custody through to information management. This year, BTP has been subject to an inspection by the Investigatory Powers Commissioner's Office (IPCO) in relation to its compliance with legislation in respect of its use and management of covert surveillance, covert human intelligence sources (CHIS) and property interference. This is an annual inspection and BTP demonstrated a good level of compliance.

In addition, there is a second line of defence compliance and inspection function within BTP which coordinates a programme of activity. Reviews are across a number of areas, from crime recording to property management; health and safety to the management of assets. The team attends BTP oversight boards and reports findings through the BTP governance structure up to the Audit and Risk Assurance Committee.

Government Functional Standards

The application of Government Functional Standards was mandated for all government departments and arm's length bodies from 2021–22. As required by Government Functional Standard GovS 001: Government Functions, the Accounting Officer has appointed the Chief Financial Officer as the senior officer accountable for overseeing compliance with the functional standards. Work is ongoing on embedding compliance with the standards across the organisation.

Board Effectiveness Evaluation

BTPA is focused on continued improvement

to ensure it remains effective. A significant focus of this work is the annual Board Effectiveness Evaluation whereby feedback is sought from colleagues through questionnaires, interviews and analysis of meeting reviews. Other mechanisms including peer reviews and best practice examples are also taken into consideration as part of the evaluation exercise.

In 2022–23, BTPA focused its review on financial governance and ways of working by commissioning an independent advisory review to deliver an external perspective. The focus was on refreshing our financial governance through comparison of similar organisations, consideration of business need and review of government guidance/ spend controls to ensure that it provided an appropriate balance of empowerment and retained decision-making. The ways of working element focused on further modernising and improving the way BTPA and BTP work together based on the principles of trust, openness and transparency. The intention being to ensure that roles and responsibilities work as an enabler for both organisations in their respective duties.

This work was a continuation of BTPA's board effectiveness journey and much progress has been made in 2022–23. The improvements in the relationship have resulted in a joint board effectiveness evaluation of BTPA and BTP governance to take place in 2023–24. This provided a significant opportunity for positive change and alignment improving effectiveness across both organisations and ultimately railway policing.

Information Technology

This year has seen a continued maturity around IT transformation, and a focus around enabling new capability into BTP whilst continuing to focus on our legacy estate through the Fixing the Fundamentals programme. The technology team has delivered a large number of capital projects, but has also focused on people with an organisation restructure occurring in 2022–23, bringing about a modern,

skilled organisation with a recruitment programme underway to bring about the required people capability to deliver in 2023-24 and beyond.

This year saw the delivery of a new organisation model resulting in the removal of legacy roles, single points of failure with the development of modern, digital roles required to deliver the BTP strategy. There were also successes related to the IT Health Check 2022 with all Critical, High and Medium issues fully resolved, and a 40% reduction in high-risk items.

Other key achievements for the department included:

- Improving the End User Experience through new airwave radio, computing and mobile devices as well as upgrades to operating systems
- Introducing new Body Worn Video (BWV) cameras with enhanced functionality
- Releasing a number of applications including a new learning platform, safety management system, geolocation and Railway Guardian application
- Upgrading the financial management system
- Improving service desk performance with a 98% ticket resolution rate
- Supporting a number of estates works, most notably Baskerville and Albany House
- Contributing to the Net Zero Carbon Strategy by recycling redundant equipment and devices

Going forward, the department will continue to focus on seven core areas which align to the key strategic programmes of enabling BTP's Force on the Move transformation portfolio:

1. People: To ensure Technology employees are led, supported and able to deliver key objectives with a

clear focus on valuing and developing people.

2. Change: To deliver 'A Force on the Move' projects and programmes that enable BTP's transition from legacy systems, infrastructure, and equipment to improved, up to date and accessible technology services.
3. Service: Accessible, responsive and user-focused services supported by practical guidance and transparent use of data to drive and demonstrate performance improvement and value for money.
4. Security: To ensure BTP is safe and secure at all times in relation to the threat posed from Cyber-attacks, with the mandated accreditations to operate as a National Police Force.
5. Infrastructure: To ensure all IT systems and applications are operating to business requirements around availability, resiliency and business continuity.
6. Digital: Digital solutions that empower collaboration, communication, connectivity, mobility and productivity.
7. Interoperability: To consider enrolling BTP in the National Enabling Programme for UK Police Forces, bringing about IT standardisation, capability and industry best-practices to inter-operate across policing.

The department was subject to a GIAA audit focussed on Fixing the Fundamentals programme and received a "Substantial" grading, which is the highest possible rating.

In 2021-22, the All People Survey showed that the perception of Technology was 89% negative. The follow-up survey in 2022-23 showed that the perception of Technology is now 73% positive.

BTP's annual IT Health Check, as well as other independent audits completed during the year continued to show progress across several core elements in relation to resilience and stability, IT

risk management, Cyber Security and the IT business continuity capability. An external audit focused on Cyber Security was undertaken by Ernst & Young which highlighted BTP's current capability maturity and a target score to be delivered over the next couple of years which is now running as a core programme. Our external Cyber risks unfortunately saw a major increase due to the Geo-Political situation and during the year there was a significant increase in noted threats and vulnerabilities. BTP continues to manage the operational and reputational risk that could arise if a cyber security incident occurred and continues to be committed to providing the necessary support to strengthen the overall IT capability.

There were two major outages in 2022-23 (2021-22: four) impacting IT operational services, many of which were largely related to legacy IT services, its network connectivity and the physical infrastructure datacentre environments. In addition, there were several continuous smaller outages in the year, the majority of which were attributable to aging network equipment, legacy software, and on-going network improvements or third-party works. BTP is committed to addressing these issues to ensure outages are minimised going forward.

A strategic risk deep dive was performed in technology, to assess in detail the causes, effects and mitigations of the strategic risk in detail. This noted all of the controls in place that have seen the residual risk reduce over the year, and the planned actions that will move BTP towards the target risk score. The Audit and Risk Assurance Committee sponsor this strategic risk and will monitor how BTP and BTPA manage this risk.

Legitimacy

Professional behaviour leads to legitimate policing, which is key to maintaining public trust and confidence in policing. Whilst BTP's Professional Standards

Department takes the lead in upholding professionalism across the organisation, it is the responsibility of officers and staff to act professionally when discharging their duties. There is regular oversight of professionalism by management in BTP and across the Authority's committees, including the appointment of a Member Lead.

The risk is primarily managed through vetting of new and existing officers and staff, communications about professional conduct and investment in modernising the culture, led by the Chief Constable. There are many avenues for employees to report concerns of inappropriate behaviour or misconduct and an increase in the use of these has been recorded. Conduct matters are investigated by the Professional Standards Department and 30 officers and staff members who were not found to meet the required standards were dismissed in 2022-23. BTP uphold high standards of integrity and professionalism and actively demonstrate this commitment.

Oversight and analysis of use of powers is a key priority for BTP due to the impact such powers can have on local communities and the effect on public trust and confidence. BTP has a governance framework for the use of powers; dedicated data analytical support and an array of external scrutiny structures to ensure that use of powers is effective, ethical and open to challenge. The use of these powers is governed through a strategic board. This internal scrutiny is supplemented by Independent Advisory Groups and subject-specific community and expert scrutiny panels, which act as critical friends in alerting the Force to the risks, implications and local concerns regarding the use of powers. BTP has been reviewing its external scrutiny mechanisms to test their coordination and independence and is working to ensure they become more representative of the communities they serve.

Vetting Procedures

The vetting unit was awarded the ISO 9001 accreditation on 28 April 2022. BTP are one of only two Forces nationally to hold this accreditation which demonstrates that the team have been working to a 'quality management system' and regularly review systems and processes to maintain high standards. BTP also continue to feature in a number of consultations and working groups nationally to review the existing Authorised Professional Practice for Vetting and support change for the better.

Financial Controls

BTPA receive budgetary cover from the DfT and the Accounting Officer is required to remain within delegated spend limits. In turn, much of this budget is delegated from BTPA to BTP to allow for operational independence in spending these funds. BTP have delegated budget holders throughout the organisation, and have this year issued delegation letters to each, outlining responsibilities for budget holders, and provided training to ensure these are understood.

Management of Outside Interests

Contained within the Directors' report are details of Members' roles outside of BTPA. A register of interests is held at BTPA for Executive staff and at BTP for its management. In addition, a Business Interest Register is held for all staff to report secondary employment (including voluntary) and colleagues involved in procurement must declare any interests as part of that process.

Gifts and hospitality are recorded, monitored and approval sought from the relevant authorising person for any item registered. Regular reminders are communicated with employees.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control and compliance within the Corporate Code of Governance for BTPA. My review is informed by the work of internal audit, the management assurance reporting and by external audit feedback in their management letter and other reports. Further, I receive guidance from the Audit & Risk Assurance Committee which in turn is informed by their oversight of all assurance mechanisms, internal controls and risk management.

Having reviewed the evidence provided, I am satisfied, in line with my responsibilities set out above, that BTPA and BTP have implemented a system of internal control across the whole period of 2022-23 and up to the approval date of the Annual Report.



Hugh Ind

Accounting Officer

Date 17 July 2023

REMUNERATION REPORT

The appointment of the Members of the Authority

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

Members of 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, Remuneration and Appraisal 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 relating to policies and guidelines from the Police Remuneration Review Body which influences the remuneration arrangements for both superintending and federated ranks; and
- for police staff, collective bargaining with recognised employee associations determines annual settlements.

The Members' salaries and allowances are set by the Secretary of State for Transport following consultation with BTPA. Members 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, Chief Executive	03/06/2019	Permanent appointment	3
Sarah Church, Chief Financial Officer and Treasurer and Deputy Chief Executive	09/04/2018	Permanent appointment	3
Rubeela Qayyum, Chief Financial Officer and Treasurer and Deputy Chief Executive	15/08/2022	Temporary appointment	3

BTP Chief Officer Group

Authority Officers	Commencement of contract	Term expiry date	Notice period required months
Lucy D'Orsi, Chief Constable	22/03/2021	21/03/2025	6
Alistair Sutherland, Deputy Chief Constable	08/11/2021	09/11/2024	3
Sean O'Callaghan, Assistant Chief Constable	25/06/2018	Permanent appointment	3
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
Charlie Doyle, Assistant Chief Constable	20/09/2018	Permanent appointment	3
Allan Gregory, Assistant Chief Constable	31/03/2023	Permanent appointment	3

Remuneration of Authority Members (Audited)

	2022/23				2021/22			
	Salary ¹	Benefits in kind (to nearest £100)	Pension Benefits	Total	Salary ²	Benefits in kind (to nearest £100)	Pension Benefits	Total
	£'000	£	£'000	£'000	£'000	£	£'000	£'000
Members								
Ron Barclay – Smith	30–35	–	–	30–35	30–35	–	–	30–35
Dominic Booth ³	0	–	–	0	5–10 (15–20)	–	–	5–10
William Matthews	15–20	–	–	15–20	15–20	–	–	15–20
Andrew Pollins ⁴	0	–	–	0	10–15 (15–20)	–	–	10–15
Stella Thomas ⁵	0	–	–	0	10–15 (15–20)	–	–	10–15
Beverley Shears	15–20	–	–	15–20	15–20	–	–	15–20
William Gallagher	15–20	–	–	15–20	15–20	–	–	15–20
Martin Richards ⁶	15–20 (15–20)	–	–	15–20	15–20	–	–	15–20
Graham Evans ⁷	10–15 (15–20)	–	–	10–15	15–20	–	–	15–20
Kenna Kintrea	15–20	–	–	15–20	15–20	–	–	15–20
Andrew Cooper ⁸	25–30	–	–	25–30	25–30	–	–	25–30
Sir Craig Mackey	15–20	–	–	15–20	15–20	–	–	15–20
Mike Gallop ⁹	10–15 (15–20)	–	–	10–15	0–5 (15–20)	–	–	0–5
Emir Feisal ¹⁰	15–20	–	–	15–20	0–5 (15–20)	–	–	0–5
Nick Hawkins ¹¹	15–20	–	–	15–20	0–5 (15–20)	–	–	0–5
Fiona Brunskill ¹²	15–20	–	–	15–20	0–5 (15–20)	–	–	0–5
Stewart Jackson ¹³	15–20	–	–	15–20	0–5 (15–20)	–	–	0–5

1 Full year equivalent is shown in brackets

2 Full year equivalent is shown in brackets

3 Dominic Booth left on 31/08/2021

4 Andrew Pollins left on 31/12/2021

5 Stella Thomas left on 31/12/2021

6 Martin Richards left on 25/01/2023

7 Graham Evans left on 29/12/2022

8 Andrew Cooper performed the role of interim Deputy Chair in 2021–22 and 2022–23.

9 Mike Gallop joined on 23/02/22 and left 14/01/23

10 Emir Feisal joined on 28/02/2022

11 Nick Hawkins joined on 23/02/2022

12 Fiona Brunskill joined on 23/02/2022

13 Stewart Jackson joined on 28/02/2022

Remuneration of Authority Officers and Chief Officer Group (Audited)

	2022/23				
	Salary ¹⁴	Compensation Payments	Benefits in kind (to nearest £100)	Pension Benefits	Total
	£'000	£'000	£	£'000	£'000
Authority Officers					
Hugh Ind	150-155	-	-	35	185-190
Sarah McGarel	125-130	-	2,100	31	160-165
Rubeela Qayyum ¹⁵	60-65 (115-120)	-	-	17	80-85
Chief Officer Group					
Lucy D'Orsi ¹⁶	175-180	-	200	40	215-220
Alistair Sutherland ¹⁷	145-150	-	200	-	145-150
Adrian Hanstock ¹⁸	-	-	-	-	-
Sean O'Callaghan	130-135	-	200	27	160-165
Simon Downey ¹⁹	0-5 (150-155)	77	-	-	75-80
Tracey Martin	130-135	-	-	33	165-170
Rachael Etebar	135-140	-	200	33	170-175
Charlie Doyle	130-135	-	200	-	130-135
Allan Gregory ²⁰	110-115 (115-120)	-	200	16	125-130

¹⁴ Full year equivalent is shown in brackets

¹⁵ Rubeela Qayyum joined on 15/08/2022 as maternity cover for Sarah Church.

¹⁶ Lucy D'Orsi was appointed as Chief Constable for a term of four years, with the initial period being served as a secondment from the Metropolitan Police Service between 22 March 2021 and 19 January 2022. The costs for this secondment in 2021-22 were £190,000 – £195,000 which includes coverage of her salary, allowances and pension contributions made directly by the Metropolitan Police comprising full time equivalent salary of £155,000 – £160,000 and allowances of £15,000 – £20,000. Her pension arrangements remained with the Metropolitan Police for the period of the secondment. Upon employment by BTPA on 20 January 2022 salary received till 31 March 2022 was £20,000-£25,000; hence a total salary cost for 2021-22 of £215,000-220,000. Lucy has been paid the full time equivalent salary for 2022-23.

¹⁷ Alistair Sutherland joined BTP on 08/11/2021

¹⁸ Adrian Hanstock left BTP on 31/12/2021

¹⁹ Simon Downey left BTP on 11/03/2022. Compensation payments were paid in financial year 2022-23.

²⁰ Allan Gregory's temporary role as Assistant Chief Constable commenced on 2 August 2021 and ended in March 2023 at which point the posting was made permanent.

Remuneration of Authority Officers and Chief Officer Group (Audited)

	2021/22				
	Salary ²¹	Compensation Payments	Benefits in kind (to nearest £100)	Pension Benefits	Total
	£'000	£'000	£	£'000	£'000
Authority Officers					
Hugh Ind	150-155	-	-	33	185-190
Sarah McGarel	125-130	-	2,000	29	155-160
Rubeela Qayyum ²²	-	-	-	-	-
Chief Officer Group					
Lucy D'Orsi ²³	215-220	-	200	9	225-230
Alistair Sutherland ²⁴	45-50 (140-150)	-	200	-	45-50
Adrian Hanstock ²⁵	145-150 (165-170)	-	1,700	31	180-185
Sean O'Callaghan	130-135	-	200	31	165-170
Simon Downey ²⁶	150-155	-	200	24	175-180
Tracey Martin	130-135	-	200	30	160-165
Rachael Etebar	135-140	-	200	33	170-175
Charlie Doyle	130-135	-	200	-	130-135
Allan Gregory ²⁷	100-105	-	100	36	135-140

²¹ Full year equivalent is shown in brackets

²² Rubeela Qayyum joined on 15/08/2022 as maternity cover for Sarah Church.

²³ Lucy D'Orsi was appointed as Chief Constable for a term of four years, with the initial period being served as a secondment from the Metropolitan Police Service between 22 March 2021 and 19 January 2022. The costs for this secondment in 2021-22 were £190,000 – £195,000 which includes coverage of her salary, allowances and pension contributions made directly by the Metropolitan Police comprising full time equivalent salary of £155,000 – £160,000 and allowances of £15,000 – £20,000. Her pension arrangements remained with the Metropolitan Police for the period of the secondment. Upon employment by BTPA on 20 January 2022 salary received till 31 March 2022 was £20,000-£25,000; hence a total salary cost for 2021-22 of £215,000-£220,000.

²⁴ Alistair Sutherland joined BTP on 08/11/2021

²⁵ Adrian Hanstock left BTP on 31/12/2021

²⁶ Simon Downey left BTP on 11/03/2022. Compensation payments were paid in financial year 2022-23

²⁷ Allan Gregory's temporary role as Assistant Chief Constable commenced on 2 August 2021 and ended in March 2023 at which point the posting was made permanent.

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. No performance related bonuses were given in 2021-22 or 2022-23.

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.

Performance pay

A performance management regime is in place, where objectives for the Chief Officer Group are agreed by BTPA. The performance development reviews are initiated at the year-end by the Chief Constable for the Chief Officer Group and the Chief Executive 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, Remuneration and Appraisal 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.

Fair Pay Disclosures (Audited)

Percentage change in total salary and bonuses for the highest paid director and the staff average

	2022/23		2021/22	
	Total salary and allowances	Bonus Payments	Total salary and allowances	Bonus Payments
Staff average	6.20%	22%	0.30%	15%
Highest paid director	2.90%	0%	(22.47%)	0%

Ratio between the highest paid directors' total remuneration and the lower quartile, median and upper quartile for staff pay

	Lower quartile	Median	Upper quartile
2022-23	5.5:1	4.4:1	3.5:1
2021-22	5.7:1	4.5:1	3.6:1

Lower quartile, median and upper quartile for staff pay for salaries and total pay and benefits

	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
	Lower quartile		Median		Upper quartile	
Salary	28,932	27,030	36,852	34,950	43,032	41,130
Total Pay and Benefits	32,390	30,411	40,105	38,056	50,066	48,036

The banded remuneration of the highest-paid director in 2022-23 was £177,500 (2021-22, £172,500). This was 4.4 times (2021-22: 4.5 times) the median remuneration of the workforce, which was £40,105 (2021-22: £38,056). The highest paid director did not receive any bonus payments in 2022-23 or 2021-22.

In 2022-23, 0 (2021-22: 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £15,000-£20,000 to £150,000-£155,000 (2021-22: £15,000-£20,000 to £150,000- £155,000).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The Authority approved a £1,902 pay uplift during 2022-23 for all employees, as well as increases in a number of allowances. This is the cause for the increase in quartile remuneration in 2022-23 compared to the prior year and the reduction in the ratios. The increase in the staff average remuneration in 2022-23 is also as a result of salary spine point increases. No pay award was given during 2021-22. The increase in the staff average remuneration in 2021-22 is as a result of salary spine point increases.

The banded remuneration of the highest paid director increased between 2021-22 and 2022-23 due to the uplift of £1,902 applied to all employees. The banded remuneration of the highest paid director decreased between 2021-22 and 2020-21 due to a change in the post holder of Chief Constable.

Pension benefits

Railways pension scheme – Authority and BTP support staff

Pension benefits are provided for Authority and BTP police 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 paid contributions of 10.68% of pensionable pay (less 1.5 times the basic state pension) up to and including 31 March 2023. 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 31/03/23		Real increase values at pension age		CETV at 31/03/22	CETV at 31/03/23	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							
Hugh Ind	5-10	5-10	0-2.5	0-2.5	119	122	3
Sarah McGarel	5-10	10-15	0-2.5	0-2.5	96	75	21
Rubeela Qayyum	0-5	0-5	0-2.5	0-2.5	-	10	10
Chief Officer Group							
Sean O'Callaghan	5-10	10-15	0-2.5	0-2.5	135	127	8
Rachael Etebar	5-10	10-15	0-2.5	0-2.5	165	172	7
Tracey Martin	5-10	10-15	0-2.5	0-2.5	128	121	7
Allan Gregory	50-55	85-90	0-2.5	2.5-5	1,110	1,241	131
Lucy D'Orsi	0-5	0-5	2.5-5	0-2.5	10	46	36
Adrian Hanstock	-	-	-	-	403	-	403
Simon Downey	-	-	-	-	318	-	318
Paul Crowther	Opted out of scheme						
Charlie Doyle	Opted out of scheme						
Alistair Sutherland	Opted out of scheme						





Staff report

Total average number of persons employed (audited)

	2022/23	2021/22
Permanently employed staff*	4,840	4,797
Temporary Staff**	119	116
Special Constables***	265	293
Total	5,224	5,205

Average staff numbers are based on headcount and terms of employment.

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

** Staff and volunteers engaged on a temporary basis to meet the objectives of the entity.

*** Special Constables have a contract with BTP that slightly differs from that of other employees, so have been disclosed separately

Total staff costs consist of (Audited):

	2022/23			2021/22
	Permanently employed staff	Other staff	Total	Total
	£'000	£'000	£'000	£'000
Salaries and wages	218,035	1,460	219,495	210,071
Social security costs	22,863	-	22,863	20,357
Other pension costs	109,149	-	109,149	113,826
Sub-total	350,047	1,460	351,507	344,254
Less recoveries in respect of outward secondments	(1,136)	-	(1,136)	(1,031)
Total net costs	348,911	1,460	350,371	343,222

Total expenditure on consultancy for 2022-23 is £1,167,137 (2021-22: £845,518). This includes £10,318 capitalised consultancy costs.

Total expenditure on temporary staff for 2022-23 is £1,459,769 (2021-22: £1,104,637).

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

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
£0-£25,000	16	14	4	12	20	26
£25,001-£50,000	1	3	-	5	1	8
£50,001-£100,000	-	-	1	1	1	1
£100,000-£150,000	-	-	-	-	-	-
£150,000+	-	-	-	-	-	-
Total number of exit packages	17	17	5	18	22	35
Total value of packages (£'000)	143	186	88	449	231	635

There were 17 compulsory redundancies amounting to £143k in 2022-23 (2021-22: 17 amounting to £186k).

There was a total of 5 other departures in 2022-23 amounting to £88k (2021-22: 18 amounting to £449k).

Employee composition

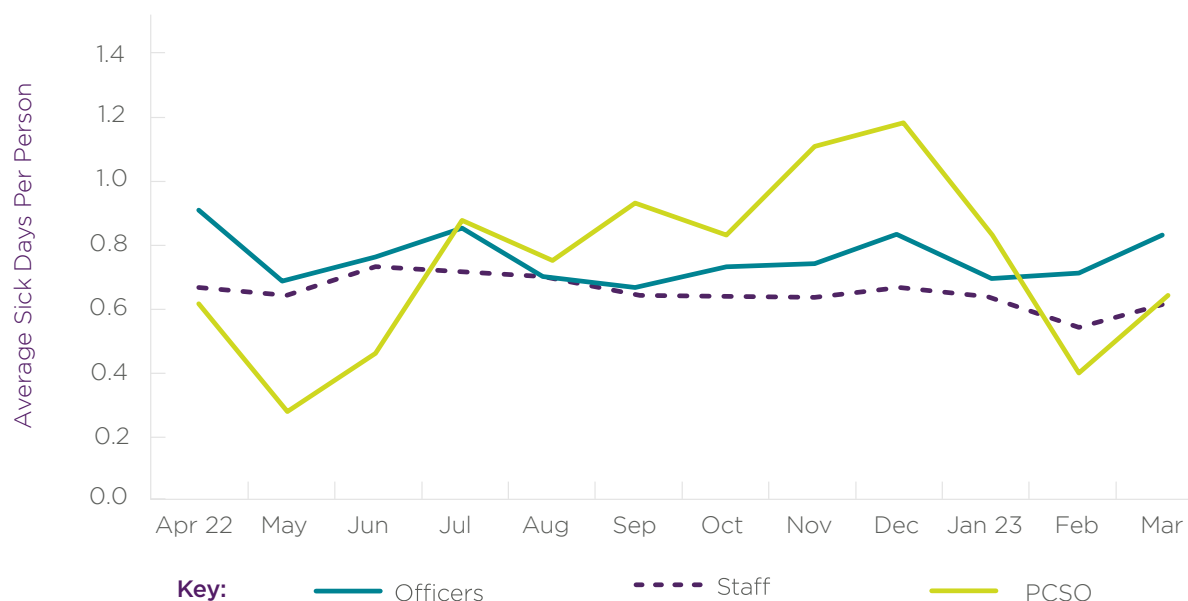
Number of persons of each gender who were employees of the entity as at 31 March 2023.

	2022/23			2020/21 (Restated) ¹		
	Male	Female	Total	Male	Female	Total
Authority Members	8	3	11	11	3	14
Authority Officers and Strategic Command	5	5	10	5	4	9
Remaining staff	3,562	1,691	5,253	3,562	1,613	5,175
Total	3,575	1,699	5,274	3,578	1,620	5,198

¹ The total number of females in 2021-22 has been restated to 1,620 as the total disclosed in the prior year (1,621) was incorrect.

Sickness absences

Average Sickness Days Per Person 2022 – 2023



For 2022-23, BTP average sick duty days per person reduced by 3.71 days to an average of 8.69 (2021-22: 12.40) sick duty days per person. There was a reduction in sick days for all employee types – Officers, Staff and PCSOs. 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) the British Transport Police had 17 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 one individual, and 1%-50% for the remaining 16, 0.02044% of BTP’s total pay bill of £188,236k is spent on facility time. A total of 0.75% paid leave was given for trade union activities for which there was no statutory right for paid leave. This equates to a pay value of £4k.

Off-Payroll Tables

A robust governance process is in place to challenge and control the use of off-payroll engagements and ensure compliance. All engagements were considered as either in scope or not subject to the legislation. For those not subject to the legislation they were engaged via umbrella companies or on the payroll of an organisation in the supply chain.

Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater.

	2022/23	2021/22
Number of existing engagements as of 31 March 2023	8	8
Of which, number that existed:		
less than 1 year at the reporting date	7	7
between 1 and 2 years at the reporting date	0	1
between 2 and 3 years at the reporting date	1	0
between 3 and 4 years at the reporting date	0	0
more than 4 years at the reporting date	0	0

All highly paid off-payroll workers engaged at any point during the year ending 31 March 2023, earning £245 per day or greater.

	2022/23	2021/22
Number of temporary off-payroll workers engaged during the year ended 31 March 2023	18	18
Not subject to off-payroll legislation	14	7
Subject to off-payroll legislation and determined as in-scope of IR35	4	11
Subject to off-payroll legislation and determined as out-of-scope of IR35	0	0
Number of engagements reassessed for compliance or assurance purposes during the year	0	2
Of which: Number of engagements that saw a change to IR35 status following review	0	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023.

	2022/23	2021/22
Total number of individuals who 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	10	10
Number of off-Payroll engagements of board members, and/or, senior officials with significant financial responsibility during the financial year	0	0

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:

- Disability and Neurodiversity Network
- Association of Muslim Police
- Christian Police Association
- Female Police Association
- Gypsy Roma Traveller Police Association
- Jewish Police Association
- LGBT+ Support Network (Lesbian, Gay, Bisexual and Transgender Support)
- Support Association for Minority Ethnic staff
- The Hindu Police Association

Disability management

The British Transport Police welcomes applicants who have a disability and the recruitment team work in consultancy with the Inclusion and Diversity Team, where appropriate, to support inclusive interviews for candidates with a disability.

BTP also has a process in place to facilitate consultation with the Occupational Health Department for all medical and health conditions to ensure that all appropriate reasonable adjustments and support are considered on a case-by-case basis.

BTP has established a disability and neurodiversity steering group with key stakeholders, chaired at Assistant Chief Constable level, to work through the processes required to ensure workplace adjustments and provisions are put in place to support employees, using the social model of disability and neurodiversity. This includes the launch of the workplace adjustments passport which offers holistic support for all non-medical conditions which require adjustments. The Inclusion and Diversity team regularly holds events, webinars and information sessions to support this work in raising awareness of disability and neurodiversity topics and themes, with planned training for senior leaders and line managers.



Hugh Ind

Accounting Officer

Date 17 July 2023



PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

Regularity of expenditure:

Losses and Special payments (audited)

	2022/23	2021/22
Total number of losses and special payments	214	198
Total value of losses and special payments	£979,929	£1,407,181
Losses statement		
Number of losses	104	51
Value of losses	£75,102	£124,604
Special payments statement		
Number of special payments	110	147
Value of special payments	£904,827	£1,282,578

Losses

There are no individual losses in excess of £300,000

Special payments

A total of £822,634 (2021-22: £868,271) was paid to settle legal claims from former employees and the public. There was no individual payment in excess of £300,000. All exit packages payments have been disclosed within 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 the British Transport Police Fund for the year ended 31 March 2023 under the Railways and Transport Safety Act 2003.

The financial statements comprise British Transport Police Fund's;

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the British Transport Police Fund's affairs as at 31 March 2023 and its net deficit for the year then ended; and
- 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Entities in the United Kingdom (2002)*. 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 2019*. I am independent of the British Transport Police Fund in accordance with the ethical requirements that are relevant to my audit of 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.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the British Transport Police Fund's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties

relating to events or conditions that, individually or collectively, may cast significant doubt on the British Transport Police Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the British Transport Police Fund is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Railways and Transport Safety Act 2003.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Railways and Transport Safety Act 2003; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

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 material misstatements in the Performance and Accountability Reports.

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 by the British Transport Police Fund or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be

audited is not in agreement with the accounting records and returns; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the British Transport Police Authority and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Authority and the Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the Railways and Transport Safety Act 2003;
- ensuring that the annual report, which includes the Remuneration Report, is prepared in accordance with Secretary of State directions made under the Railways and Transport Safety Act 2003; and
- assessing the British Transport Police Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority and Accounting Officer anticipates that the services provided by the British Transport Police Fund will not continue to be provided in the future.

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.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of noncompliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting noncompliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of noncompliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the British Transport Police Fund's accounting policies
- Inquired of management, the British Transport Police Fund's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation

relating to the British Transport Police Fund's policies and procedures on:

- identifying, evaluating and complying with laws and regulations;
- detecting and responding to the risks of fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the British Transport Police Fund's controls relating to the British Transport Police Fund's compliance with Railways and Transport Safety Act 2003 and Managing Public Money.
- inquired of management, the British Transport Police's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussing among the engagement team and involving relevant internal specialists, including pension specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the British Transport Police Fund for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates including the defined benefit pension obligations. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the British Transport Police Fund's framework of authority as well as other legal and regulatory frameworks in which the British Transport Police Fund operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements

or that had a fundamental effect on the operations of the British Transport Police Fund. The key laws and regulations I considered in this context included the Railways and Transport Safety Act 2003, Managing Public Money, and relevant employment law and taxation legislation.

Audit response to identified risk

To respond to identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income 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.

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 I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Date 18 July 2023

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP





FINANCIAL REPORT



Statement of comprehensive income

For the year ended 31 March 2023

		31 March 2023	31 March 2022
	Note	£'000	£'000
Income			
Police Service Agreement	6	249,167	234,228
Other Income	6	101,495	96,895
		350,662	331,123
Expenditure			
Staff costs	7	(350,371)	(343,223)
Depreciation and amortisation	8	(29,181)	(18,162)
Other expenditure	8	(54,086)	(58,864)
		(433,638)	(420,249)
Operating deficit		(82,976)	(89,126)
Net interest receivable		279	3
Net interest payable for pension schemes	23	(23,420)	(20,030)
Finance expense	8	(1,082)	(734)
Gain on modification of lease		–	4
Net deficit for the financial year		(107,199)	(109,883)
Other comprehensive income			
Items that will not be reclassified:			
Net gain/(loss) on revaluation of non-current assets	22	7,673	3,534
Actuarial gains/(losses) on defined benefit pension schemes	22	968,480	233,190
		976,153	236,724
Total comprehensive surplus/(deficit) for the year ended 31 March 2023		868,954	126,841


Any net deficit or surplus for the relevant 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 2023

		31 March 2023	31 March 2022
	Note	£'000	£'000
Non-current assets			
Property, plant and equipment	9	96,205	87,417
Intangible assets	10	2,105	2,409
Total non-current assets		98,310	89,826
Current assets			
Inventories	12	114	375
Trade and other receivables	13	16,504	10,517
Cash and cash equivalents	14	49,812	53,331
Total current assets		66,430	64,223
Total assets		164,740	154,049
Current liabilities			
Trade and other payables	15	(57,451)	(55,194)
Provisions for liabilities and charges	16	(7,925)	(7,352)
Total current liabilities		(65,376)	(62,546)
Non-current assets plus net current assets		99,364	91,503
Non-current liabilities			
Pension liabilities	23	(49,419)	(912,506)
Other payables	15	(25,709)	(25,510)
Total non-current liabilities		(75,128)	(938,016)
Assets less liabilities		24,236	(846,513)
Taxpayers' net (deficit)			
Income and expenditure reserve	22	57,271	57,240
Revaluation reserve	22	16,384	8,753
Pension reserve	22,23	(49,419)	(912,506)
		24,236	(846,513)

The financial statements on pages 88-130 were approved by the Authority on 17/07/2023 and were signed on its behalf by:


Hugh Ind
 Accounting Officer
 Date 17 July 2023

Statement of changes in taxpayers' equity

For the year ended 31 March 2023

		Income and expenditure reserve	Revaluation reserve	Pension reserve	Total reserves
	Note	£'000	£'000	£'000	£'000
Balance at 01 April 2021		46,463	5,219	(1,039,126)	(987,444)
Changes in taxpayers' equity 2021/22					
Net gain/(loss) on revaluation of property, plant and equipment and intangible assets	9,10,22	–	4,094	–	4,094
Actuarial Gains/(Losses)	22	–	–	233,190	233,190
Net deficit for the year	22	(109,883)	–	–	(109,883)
Reclassification	22	381	–	–	381
Transfer to/from Reserves	23	107,130	(560)	(106,570)	–
DfT Grant funding recognised		13,149	–	–	13,149
Balance at 31 March 2022		57,240	8,753	(912,506)	(846,513)
Changes in taxpayers' equity 2022/23					
IFRS 16 adjustments after transition	22	–	–	–	–
Net gain/(loss) on revaluation of property, plant and equipment and intangible assets	9,10,22	–	8,689	–	8,689
Actuarial Gains/(Losses)	22	–	–	968,480	968,480
Net deficit for the year	22	(107,199)	–	–	(107,199)
Reclassification	22	(521)	(42)	–	(563)
Transfer to/from Reserves	23	106,409	(1,016)	(105,393)	–
DfT Grant funding recognised ¹	22	1,342	–	–	1,342
Balance at 31 March 2023		57,271	16,384	(49,419)	24,236

¹ This is grant in aid provided funding by DfT (controlling party) for Operation London Bridge.

Statement of cash flows

For the year ended 31 March 2023

		2022/23	2021/22
	Note	£'000	£'000
Cash flows from operating activities			
Net deficit for the financial year		(107,199)	(109,883)
Less non-cash adjustments			
(Profit)/Loss on disposal of non-current assets	8	(32)	(132)
(Increase)/Decrease in trade and other receivables	13	(5,987)	10,767
(Increase)/Decrease in inventories	12	261	(308)
Increase/(Decrease) in trade and other payables falling due within one year	15	13,220	6,838
Increase/(Decrease) in trade and other payables due after more than one year	15	199	9,774
Increase/(Decrease) in provisions	16	573	976
Depreciation of property, plant and equipment	9	15,813	12,325
Depreciation of right-of-use assets	9	12,442	3,991
Amortisation of intangible assets	10	926	1,846
IAS 19 Pension adjustment	23	81,970	86,540
Net interest payable for pension schemes	23	23,420	20,030
Finance expense	8	1,082	734
Derecognition of assets under construction	9,10	1,102	75
Derecognition of right of use asset	9	259	326
Movements in seized cash going to reserves		(579)	380
Less cash item classified elsewhere within statement of cash flows		(279)	(3)
Net cash flow from operating activities		37,191	44,276
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(30,197)	(36,290)
Purchase of intangible assets	10	(297)	(509)
Proceeds from disposal of assets		203	324
Interest paid/(received)		–	–
Net cash flow from investing activities		(30,291)	(36,475)
Cash flows from financing activities			
Capital repayment of right-of-use liabilities	19	(12,040)	(4,193)
Grant funding received		1,342	13,149
Interest received		279	3
Net cash flows from financing activities		(10,419)	8,959
Net increase/(decrease) in cash and cash equivalents in the period		(3,519)	16,760
Cash and cash equivalents at the beginning of the period		53,331	36,571
Cash and cash equivalents at the end of the period		49,812	53,331

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 significant accounting policies

These financial statements have been prepared in accordance with the 2022/23 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply UK adopted 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 Authority) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Authority for 2022/23 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 historical 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 because BTPA continues to be the sole provider of policing services on the rail network under the Railways and Transport Safety Act 2003.

Negative equity arises in certain financial years because of the Authority's substantial net liabilities relating to defined benefit pension schemes. As disclosed in Note 23 contributions to the schemes are based on periodic actuarial valuations, including contributions for any past service deficit. The income receivable under Public Service Agreements and from Transport for London (TfL) is calculated to include such contributions. The Authority 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 Accounting standards issued but not yet adopted

IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard and is applicable for accounting periods ending on or after 1 January 2023. Management have performed a preliminary review of this standard and expect no impact to the Authority since none of BTP's contracts would meet the definition of insurance contracts under IFRS 17.

2.4 Property, plant and equipment

Property, plant and equipment includes improvements and capital works to leasehold buildings, plant and machinery, right-of-use assets, Information technology (IT) equipment, fixtures and fittings, and road vehicles required for the on-going operations of the Force. 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 irrecoverable 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 historical 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.

The Authority 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).

The Authority 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.

2.5 Assets under construction

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

2.6 Depreciation

Depreciation is provided on a straight-line basis over periods representing the estimated useful lives of assets. Motor vehicles start to be depreciated once the fleet management company have confirmed they are in use. All other 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
- Right-of-use assets – Number of years remaining on the lease
- Fixtures and fittings – 5 years
- Motor Vehicles – 5 years
- IT Equipment – 4-5 years

No depreciation is provided on assets under construction.

2.7 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 Authority 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 annually, where appropriate, using indices from the ONS. Intangible assets are amortised on a straight-line basis over a two – five year useful economic life depending on the specifics of the intangible asset.

The BTPA derecognises assets 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.

2.8 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.

2.9 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.

2.10 Revenue Recognition

Income is recognised as the performance obligations are fulfilled in line with IFRS15 – Revenue from Contracts with Customers. The majority of income is derived from Police Service Agreements (PSA) and Enhanced Police Service Agreements (EPSA). PSAs are set in accordance with the Railways and Transport Safety Act 2003, and set out the obligations for both the Authority and the rail operators. Rail operators are legally required to hold a PSA. Charges are based on the annual policing plan which is devised in consultation with stakeholders. Charges are recognised evenly over the annual financial year, and payment occurs in 13 equal instalments. Any excess income is moved to deferred income and drawn down when required. Under the Act, BTPA is entitled to defray the cost of the Force including any deficit incurred. Should a deficit occur, BTPA will assess whether it will be recovered through future year PSA charges in the following year. If agreed an accrued income balance will be held until funds are collected. The same methodology applies if an underspend occurs and a refund is approved.

EPSAs exist where a rail operator requests a dedicated 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. EPSAs are contracted for a specific period. EPSA holders are charged actual cost for the services provided each period. The treatment of EPSAs does not give rise to any assets or liabilities.

London Underground (TfL) charges are invoiced in advance over 13 periods within the financial year, then they are coded with prepayment/deferred income dates so that the income is recorded in the period that the service is supplied. BTPA negotiate to recover any shortfall/return the excess through a 'wash up' process which usually takes place during the subsequent financial year at which point accrued income is held until the funds are received.

2.11 Leases

IFRS 16 Leases provides a single lessee accounting model that results in more faithful representation of a lessee's assets and liabilities and, together with enhanced disclosures, will provide greater transparency of a lessee's financial leverage and capital employed. The standard requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset meets the IFRS 16 criteria to be classified as of "low value". The assets and liabilities are recognised initially at the discounted value of the minimum lease payments, and that the assets, described as "right of use" assets, are presented under Property, Plant and Equipment. The right-of-use assets have

been depreciated on a straight-line basis and interest has been recognised on the liabilities. The cost model has been applied to assets for leases other than leases with a peppercorn rental, which have been measured on a current value in existing use basis. As a result, the timing of the recognition of the total costs of leasing has changed, as interest costs will be higher at the start of a lease.

Under IFRS 16, as adapted and interpreted by the Financial Reporting Manual, there is a presumption that where entities cannot readily determine the interest rate implicit in the lease, they are instead required to use the HM Treasury discount rate promulgated in Public Expenditure System papers as their incremental borrowing rate. The discount rate issued by the HM Treasury was .95% for the full calendar year 2022, which has been applied by BTP for leases that commence or are remeasured prior to January 2023 and in the 2022 calendar year. The discount rate issued by the HM Treasury is 3.51% for the full calendar year 2023. For leases that commenced or were remeasured prior to January 2022 had the applicable HM Treasury discount rate issued for that year applied.

The Authority has a number of leases in respect of property that do not come under the scope of IFRS16. These leases are either considered short-term or where an identified asset cannot be evidenced. Rentals under these leases are charged to the SoCI in the period in which they are incurred.

2.12 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.

2.13 Contingent liabilities

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

2.14 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.

2.15 Interest payable/receivable/finance expense

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

Finance expense represents interest charged against right-of-use assets in scope with IFRS 16.

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

2.16 Inventories

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

2.17 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 be recharged out correctly.

Where applicable, impairment is reflected on the basis of expected credit loss allowances for trade receivables and similar arrangements which are measured at an amount equal to a 12-month expected credit losses and recognised where material.

BTP does not have any loans to external borrowers.

Credit loss allowances are recognised where material. BTP considers that none of its debts have significantly increased in credit risk in 2022-23 and that there is no lifetime expected credit loss calculated for the year.

2.18 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 Authority does not currently hold any items that meet the definition of cash equivalents such as short term highly liquid investments.

2.19 Staff costs

Employee benefits

Wages, salaries, bonuses, social security contributions, annual leave, sick leave, and time off in lieu are accrued in the period in which the associated services are rendered by employees.

Retirement benefit costs

Employees can be members of defined benefit pension schemes as disclosed in Note 23.

The current service cost is the expected cost of benefits accrued in the year following the valuation date. This is calculated using the expected benefits accrued over the year, and considering the expected payments made in relation to this benefit. This takes account of any expected salary and pension increases. The cost is the amount needed at the valuation date, such that after receiving expected interest, the payments are covered.

For the defined benefit schemes, the cost of providing benefits is determined using the projected unit credit method, with full actuarial valuations being carried out at least every three years and updates to these valuations carried out in intervening years. The current service cost and plan administration expenses are recognised as an operating expense in the consolidated income statement.

The BTPA's share of the actuarial gains and losses are recognised in full in the period in which they occur. They are recognised outside the income statement and presented in the statement of comprehensive income.

The net interest cost is the charge in the year on the net defined benefit liability. The charge reflects the passage of time and is recognised as a finance cost in the income statement. Past service cost and credits are recognised immediately in the consolidated income statement.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation, as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

The BTPA reflects its share of the deficit in the financial statements. Further details on the retirement benefit schemes are provided in note 23.

Pension benefits are provided for Authority and BTP support staff through the Railways Pension Scheme British Transport Police Shared Cost Section. 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. Whilst it is a shared cost pension arrangement the Authority choose to account for assets and liabilities in full.

2.20 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

- An Income and Expenditure Reserve

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

2.21 Grant in aid

Grant in aid received from DfT is recognised on a cash basis through the statement of changes in taxpayers equity (SoCTE) directly because it is considered to be a controlling party contribution and capital grants are also recognised immediately except where the funder imposes a condition. This treatment is in accordance with IAS 20 as interpreted by FReM.

3. Critical accounting judgements

In applying the accounting policies set out above, the Authority has identified two critical accounting judgements; namely the application of IFRS15 and IAS19. IFRS15 is considered as such since it requires judgements to ascertain when the performance obligations are met, see note 2.10 for further detail. Whilst the IAS19 valuation of the pension schemes is noted below as a key source of estimation uncertainty (Note 4), the choice of assumptions and the consideration of economic conditions also includes a level of judgement. See Note 23 and 2.19 for further detail. The impact of both judgements feed into material elements of both the statement of comprehensive income and the statement of financial position.

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 the valuation of property, private equity and non-exchange- traded pooled investment vehicle assets. See further detail at the end of Note 23 for sensitivity of these valuations;
- 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;
- Provisions – as a result of future outcome of litigation, cases, disputes, and other rent reviews. Any increase in the estimates for these items would increase liabilities and expenditure;
- Impairment of receivables using 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.

	2022/23	2021/22
	£'000	£'000
Divisions		
B Division	78,826	74,556
C Division	45,169	44,361
D Division	10,128	10,410
Remaining overheads	299,515	290,922
Total expenditure before finance expenses	433,638	420,249

6. Income

	2022/23	2021/22
	£'000	£'000
Police Service Agreement income	249,167	234,228
Other income		
London Underground Agreement income	75,827	72,886
Enhanced Police Service Agreement income	14,383	13,800
Smaller funding agreements	3,253	1,585
Other income	6,892	8,247
Capital funding	1,140	377
Sub-total	101,495	96,895
Total	350,662	331,123

The British Transport Authority operates a number of operating income streams. The amounts disclosed above are incurred as performance obligations have been met. The income streams can be categorised as follows:

6.1 Police Service Agreement

Under the Railways and Transport Safety Act 2003, the Authority enters into a PSA with its customers in order to provide a policing service as specified in the agreement. In determining the customer's 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, and other smaller third party contributors.

In addition, BTP also receives income from the Home Office Asset Recovery Incentivisation Scheme (ARIS) which distributes a portion of recoveries of proceeds of crime (POCA) to BTP in cases where it was the investigating authority. This funding is treated under IAS 20.12 as a grant, which is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

7. Staff numbers and related costs

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

	2022/23			2021/22
	Permanently employed staff £'000	Other staff £'000	Total £'000	Total £'000
Total staff costs consist of:				
Salaries and wages	218,035	1,460	219,495	210,071
Social security costs	22,863	–	22,863	20,357
Other pension costs ¹	109,149	–	109,149	113,826
Sub-total	350,047	1,460	351,507	344,254
Less recoveries in respect of outward secondments	(1,136)	–	(1,136)	(1,031)
Total net costs	348,911	1,460	350,371	343,223

¹ Other pension costs have decreased as a result of the IAS19 pension current service cost, valued at £81.97m (£86.54m in 2021/22). The remainder of the pension costs consist of pension scheme contributions and deficit payments of £27.18m (£27.29m in 2021/22).

8. Other expenditure

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

		2022/23	2021/22
	Note	£'000	£'000
Staff related costs		4,812	3,829
Communications and computers		18,404	17,885
Operational expenses		2,525	3,327
Administrative expenses		2,940	1,761
Professional services		3,442	2,090
Legal and Insurance		1,105	3,363
Equipment purchases		2,908	2,399
Rentals under operating leases ²		(2,506)	5,460
Premises (excluding rentals under operating leases)		13,343	12,031
Transport costs		7,125	6,759
Other		(12)	(40)
Other expenditure		54,086	58,864
Depreciation of property, plant and equipment	9	15,813	12,325
Depreciation of right-of-use assets ⁴	9	12,442	3,991
Amortisation of intangible assets	10	926	1,846
Depreciation and amortisation		29,181	18,162
Finance expense		1,082	734
Total		84,349	77,760

During the year the Authority did not purchase any non-audit services from its auditor the Comptroller and Auditor General. Included in "Professional services" is the audit fee of £144k for auditor's remuneration for audit work related to 2022/23 (2021/22: £127k).

2 Rental under operating leases have decreased by £8m and depreciation on right of use assets has increased by £8.5m due to the reassessment of all leases against IFRS16 criteria which led to a number of leases being reassessed as in scope of IFRS16 and visaversa. For those leases which commenced prior to 1 April 2022, the adjustments for previous years rent payments and depreciation have been accounted for in this financial year. The majority of the adjustment is as a result of the change in scope for the lease for Camden Headquarters.

9. Property, plant and equipment

	Leasehold improvements	Plant and machinery	Motor Vehicles	Assets under construction – Motor Vehicles	Assets under construction – Other	Right-of-Use Assets ¹	Fixtures and fittings	IT equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost									
As at 1 April 2022	52,323	17,923	17,008	2,788	5,887	40,313	4,000	58,360	198,602
Additions ²	1,131	478	765	5,180	2,727	13,701	23	6,192	30,197
Disposals ²	(66)	(17)	(2,017)	–	–	(259)	–	(510)	(2,869)
Derecognition	–	–	–	(445)	(657)	–	–	(67)	(1,169)
Revaluations	4,227	250	960	–	–	–	78	2,853	8,368
Reclassifications	3,769	98	2,032	(2,032)	(4,981)	–	10	1,104	–
As at 31 March 2023	61,384	18,732	18,748	5,491	2,976	53,755	4,111	67,932	233,129
Depreciation									
As at 1 April 2022	31,129	16,485	10,591	–	–	12,029	3,362	37,589	111,185
Charged in year ³	4,168	700	2,464	–	–	12,624	178	7,283	27,417
Disposals ³	(65)	(17)	(1,913)	–	–	(182)	(6)	(511)	(2,694)
Derecognition	–	–	–	–	–	–	–	(4)	(4)
Revaluations	386	96	162	–	–	–	18	358	1,020
Reclassifications	–	–	–	–	–	–	–	–	–
As at 31 March 2023	35,618	17,264	11,304	–	–	24,471	3,552	44,715	136,924
Carrying amount as at 31 March 2023	25,766	1,468	7,444	5,491	2,976	29,284	559	23,217	96,205

With the exception of right of use assets which reflect the benefits arising under leases held by BTP, all assets are owned.

1 At the end of 2022/23 a lease reassessment exercise for all ongoing leases to determine the IFRS16 status was undertaken, resulting in 20 changes to the previous scoping. For those leases which commenced prior to 1 April 2022, the adjustments for previous years asset, liabilities, interest, depreciation and rent payments have been accounted for in this financial year.

2 Included within the Right-of-Use Asset additions of £13.7m is £13.6m of additions due to reassessment of 17 leases as in scope of IFRS16, with the remaining £0.1m relating to standard additions in the 2023 financial year. The disposals of £0.3m relate to three leases which were reassessed as out of scope.

3 Included within the Right-of-Use Asset depreciation charged in the year of £12.6m is £6.6m backdated depreciation for the leases which were reassessed as in scope and commenced prior to 1 April 2022; the remaining £6m relates to standard depreciation charges for the current financial year. The depreciation disposal of £0.2m are the three leases which were reassessed as out of scope.

9. Property, plant and equipment

	Leasehold improvements	Plant and machinery	Motor Vehicles	Assets under construction – Motor Vehicles	Assets under construction – Other	Right-of-Use Assets	Fixtures and fittings	IT equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost									
As at 1 April 2021	45,495	17,852	16,307	1,527	4,490	27,223	3,859	47,136	163,889
Additions	5,766	106	1,118	2,503	5,786	7,675	72	7,523	30,549
Adjustments	–	–	–	–	–	5,741	–	–	5,741
Disposals	(9)	(213)	(2,106)	–	–	(326)	–	(2)	(2,656)
Derecognition	(2,712)	(1)	–	–	(75)	–	–	(3)	(2,791)
Revaluations	2,050	165	447	–	–	–	41	1,167	3,870
Reclassifications	1,733	14	1,242	(1,242)	(4,314)	–	28	2,539	–
As at 31 March 2022	52,323	17,923	17,008	2,788	5,887	40,313	4,000	58,360	198,602
Depreciation									
As at 1 April 2021	30,350	15,825	10,572	–	–	8,038	3,189	31,746	99,720
Charged in year	3,209	747	1,956	–	–	3,991	161	5,693	15,757
Disposals	(18)	(165)	(2,028)	–	–	–	–	(2)	(2,213)
Derecognition	(2,636)	(1)	–	–	–	–	–	(3)	(2,640)
Revaluations	224	79	91	–	–	–	12	155	561
Reclassifications	–	–	–	–	–	–	–	–	–
As at 31 March 2022	31,129	16,485	10,591	–	–	12,029	3,362	37,589	111,185
Carrying amount as at 31 March 2022	21,194	1,438	6,417	2,788	5,887	28,284	638	20,771	87,417

With the exception of right of use assets which reflect the benefits arising under leases held by BTP, all assets are owned.

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 1 April 2022	7,547	14,782	4,251	348	67	26,995
Additions	275	16	–	–	6	297
Derecognition	–	–	–	–	–	–
Revaluations	148	177	–	–	–	325
Reclassifications	45	16	–	–	(61)	–
As at 31 March 2023	8,015	14,991	4,251	348	12	27,617

Amortisation

As at 1 April 2022	6,790	13,200	4,250	346	–	24,586
Charged in year	377	547	–	2	–	926
Derecognition	–	–	–	–	–	–
Revaluations	–	–	–	–	–	–
Reclassifications	–	–	–	–	–	–
As at 31 March 2023	7,167	13,747	4,250	348	–	25,512

Carrying amount as at 31 March 2023	848	1,244	1	–	12	2,105
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With the exception of right of use assets which reflect the benefits arising under leases held by BTP, all assets are owned.

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

Cost

As at 1 April 2021	7,231	14,262	4,251	347	170	26,261
Additions	82	358	–	–	69	509
Derecognition	–	–	–	–	–	–
Revaluations	75	149	–	1	–	225
Reclassifications	159	13	–	–	(172)	–
As at 31 March 2022	7,547	14,782	4,251	348	67	26,995

Amortisation

As at 1 April 2021	6,395	11,755	4,248	342	–	22,740
Charged in year	395	1,445	2	4	–	1,846
Derecognition	–	–	–	–	–	–
Revaluations	–	–	–	–	–	–
Reclassifications	–	–	–	–	–	–
As at 31 March 2022	6,790	13,200	4,250	346	–	24,586

Carrying amount as at 31 March 2021	757	1,582	1	2	67	2,409
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With the exception of right of use assets which reflect the benefits arising under leases held by BTP, all assets are owned.

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 and credit risk

The Authority's net income and capital resource requirements are financed by resources from the PSA holders and other Government bodies. Therefore the Authority is not exposed to significant liquidity risks. Credit risk has not significantly increased from the financial distress on the train operators as a result of COVID-19 due to emergency measures agreements in place which passed cost and revenue risk for the majority of operators to DfT. BTP did not have any long-term financial instruments during the year.

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.

IFRS 9 Financial Instruments was adopted for the first time in 2018-19. Adoption has had no impact on the accounts since. While classifications have been renamed, underlying approaches to measurement for 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 BTP's operations with negligible divergence between their carrying values and fair values.

Fair values

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

	2022/23		2021/22	
	Book Value	Fair Value	Book Value	Fair Value
	£'000	£'000	£'000	£'000
Primary financial instruments				
Financial assets				
Cash at bank	49,812	49,812	53,331	53,331
Trade receivables	2,812	2,812	3,186	3,186
Total	52,624	52,624	56,517	56,517
Financial liabilities				
VAT payable	1,208	1,208	1,997	1,997
Other taxation and social security payables	3,536	3,536	3,191	3,191
Trade payables	4,128	4,128	928	928
Total	8,872	8,872	6,116	6,116

12. Inventories

	2022/23	2021/22
	£'000	£'000
Uniform and related items		
Opening balance	375	67
Additions	120	641
Utilisations	(381)	(719)
Provision	–	–
Adjustment	–	386
Closing balance	114	375

During the year, the value of inventories decreased by £262k to £114k (2021/22: £375k) which is in line with the total actual inventory balance as at 31st March 2023 per the Inventory Report provided by DHL. The decrease of additions is expected due to BTP moving towards an on-demand system where our inventory supplier provides us with items we need as and when needed, rather than us purchasing these items and them being held in stock. Moving forward, additions will only represent specialised inventory that our inventory supplier does not have readily available. The adjustment balance in 2021/22 of £386k represented an adjustment to reverse historic provision which was fully utilised in the prior year. There is no adjustment in 2022/23. There is no provision recognised in 2022/23 and 2021/22.

13. Trade receivables and other assets

	2022/23	2021/22
	£'000	£'000
Amounts falling due within one year		
Trade receivables – contracts with customers	2,812	3,186
Trade receivables – other	–	–
Other receivables	683	548
Prepayments and accrued income	13,033	6,807
Less: Impairment of receivables using expected loss model	(24)	(24)
Total	16,504	10,517

Amounts in the above figures due from other entities included in the whole of government account

Other central government bodies	146	3,164
Local authorities	1,915	1,359
Public corporations and trading funds	–	–
Intra-government debtors	2,061	4,523
Bodies external to government	14,443	5,994
Total	16,504	10,517

A provision of £24k was made in 2021/22 against an element of debt where recovery is doubtful.

14. Cash and cash equivalents

	2022/23	2021/22
	£'000	£'000
Balance at 1 April	53,331	36,571
Net change in cash and cash equivalent balances	(3,519)	16,760
Balance at 31 March	49,812	53,331
The following balances at 31 March were held at		
Government banking service	104	105
Commercial banks and cash in hand	49,708	53,226
Balance at 31 March	49,812	53,331

15. Trade payables and other liabilities

	2022/23	2021/22
	£'000	£'000
Amounts falling due within one year		
VAT payable	1,208	1,997
Other taxation and social security payables	3,536	3,191
Trade payables	4,128	928
Other payables	2,302	2,673
Lease liabilities – right-of-use assets	4,682	3,596
Accruals ¹	41,558	42,809
Deferred income – contracts with customers	37	–
Total	57,451	55,194
Amounts falling due after more than one year		
Other payables, accruals and deferred income	–	29
Lease liabilities – right-of-use assets	25,709	25,481
Total	83,160	80,704
Amounts in the above figures due to other entities included in the whole of government account		
Other central government bodies	6,442	7,368
Local authorities	6,183	3,676
NHS Bodies	636	220
Public corporations and trading funds	(3)	(3)
Intra-government payables and liabilities	13,258	11,261
Bodies external to government	69,902	69,443
Total	83,160	80,704

1 The accruals balance includes an accrual for employee annual leave entitlements not yet used. As a result of the COVID-19 pandemic, all employees were permitted to carry over up to 20 days of leave for the calendar year 2021 and 2022. The standard policy of maximum carry over of 5 days resumed on 01 January 2023.

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 2022/23 financial period.

	Claims against the Authority	Employment tribunals	Adjusted Dilapidations	Adjusted Other provisions	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2021	1,518	122	2,129	2,607	6,376
Provided in the year	2,020	230	533	2,412	5,195
Provisions utilised during the year	(832)	(57)	-	(1,861)	(2,750)
Provisions written back in the year	(877)	(210)	-	(382)	(1,469)
Balance at 31 March 2022	1,829	85	2,662	2,776	7,352
Provided in the year	1,863	567	804	990	4,224
Provisions utilised during the year	(536)	(240)	(136)	(604)	(1,516)
Provisions written back during the year	(1,321)	(120)	(101)	(593)	(2,135)
Balance at 31 March 2023	1,835	292	3,229	2,569	7,925

Claims against the Authority

This provision applies to claims made by employees of the BTPA and members of the public, which were allegedly caused by the BTP or BTPA'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 redundancies.

17. Contingent Liabilities

A contingent liability exists with regards to additional categories of employee claims with respect to Police Overtime Claims Litigation, Category 1, claims by CHIS Handlers/ Controller DC KSO and others v the Commissioner of the Metropolitan Police and Others. The maximum cost has been estimated at a maximum of £0.75 million. Using information present at the time, and that no evidence of completed cases for these categories of claim exists within the Force, the Authority has concluded that on the balance of probabilities a liability for the future settlement of these types of claims does not exist.

A contingent liability exists regarding future claims following the conclusion of the Manchester Arena Inquiry. Potential claims are stayed until the conclusion of the Inquiry.

A remedy has been implemented on 1st April 2022 following the Court of Appeal ruling that the transitional protection applied to public service pension schemes is discriminatory. Home Office police forces will taper all officers into the 2015 scheme and officers with CARE benefits pre 1st April 2022 will have CARE benefits shown as moved back into legacy schemes. This remedy may will certain transferees from Home Office forces to BTP. As a result additional backdated costs may be required to reflect this remedy. At this stage it is too early to ascertain a reasonable estimate of costs however early estimates assume a cost of £0.65 million.

At the point of signing the Financial Statements the 2018 actuarial valuation of the BTPFSF (Officer Pension Scheme) has not yet been finalised. Discussions continue with The Pensions Regulator and DfT regarding assumptions made by the Trustee.

The Authority acknowledges potential future claims relating to an ongoing legal case and a separate historic legal case. A maximum cost of £0.5 million for further costs and damages has been estimated.

18. Capital commitments

As at 31 March 2023 the Authority had the following capital commitments:

	2022/23	2021/22
	£'000	£'000
Estates	104	64
Technology	625	355
Fleet	2,073	1,995
Other	169	34
Total BTP capital commitments	2,971	2,448

19. Commitments under leases

Total future minimum lease payments under short term leases are given in the table below for each of the following periods¹:

¹ These leases are considered short-term on the grounds the contracts are no longer enforceable as both BTP and the lessor have the right to terminate the contract with a notice period of 12 months or less.

Short term leases not recognised under IFRS 16:	2022/23	2021/22
	£'000	£'000
Buildings		
Not later than one year	1,448	3,844
Later than one year and not later than five years	4,050	9,603
Later than 5 years	6,923	12,994
Total short term leases	12,421	26,441

Total future minimum lease payments under right-of-use assets are given in the table below for each of the following periods:

Right-of-use liabilities for the following periods comprise	2022/23	2021/22
	£'000	£'000
Buildings		
Not later than one year	4,682	3,596
Later than one year and not later than five years	12,380	10,766
Later than 5 years	13,329	14,716
Total right-of-use liabilities	30,391	29,077

The following table provides a reconciliation between the opening and closing position of IFRS 16 lease liabilities²:

	2022/23	2021/22
	£'000	£'000
Opening IFRS 16 lease liability	29,077	19,662
Lease liability additions ³	12,081	13,205
Lease liability disposals	196	(328)
Lease repayments ⁴	(12,040)	(4,193)
Finance charge ⁵	1,077	731
Peppercorn lease liability moved to reserves	–	–
Closing IFRS 16 lease liability	30,391	29,077

2 At the end of 2022/23 a lease reassessment exercise for all ongoing leases to determine the IFRS16 status was undertaken, resulting in 20 changes to the previous scoping. For those leases which commenced prior to 1 April 2022, the adjustments for previous years asset, liabilities, interest, depreciation and rent payments have been accounted for in this financial year.

3 Included within lease liability additions of £12.1m is £12m of lease liability additions due to reassessment of 17 leases as in scope of IFRS16, the remaining £0.1m are standard lease liability additions. The lease disposals of £0.2m are three leases which were reassessed as out of scope.

4 Included within lease repayments of £12m is £6.2m of backdated lease repayments for the leases which were reassessed as in scope and commenced prior to 1 April 2022; the remaining £5.8m related to standard lease repayments for the current financial year.

5 Within the finance charge of £1.1m is £0.6m relating to standard finance charges for the current financial year and £0.5m relating to backdated finance charges for the leases which were reassessed as in scope and commenced prior to 1 April 2022.

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	2022/23	2021/22
	£'000	£'000
Not later than one year	6,938	6,042
Later than one year and not later than five years	720	181
Later than 5 years	—	—
Total financial commitments	7,658	6,223

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:

BTPA was not invoiced for any costs by DfT in 2022/23 (£nil in 2021/22) and there were no outstanding balances at year end (£nil in 2021/22). BTPA was provided a grant in aid by DfT of £1,342k in 2022/23 for Operation London Bridge. DfT was not invoiced by the Authority in 2022/2023 (£39k in 2021/22) and no amounts were outstanding at year end (£nil in 2021/22).

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; DfT is a controlling part of both BTPA and Network Rail. The Authority was invoiced for £1,559k (£1,634k in 2021/22) by Network Rail in 2022/23 and as at 31 March 2023 there was £nil outstanding (£nil at 31 March 2022). Network Rail was invoiced by the Authority for £111,379k in 2022/23 (£98,128k in 2021/22) and as at 31 March 2023 £1,381k was outstanding (£1,376k at 31 March 2022). All these amounts are payable and receivable within 30 days and not subject to interest.

All Chief Constables are members of the Board of the National Police Chiefs' Council. The BTPA was invoiced £100k in 2022/23 (£46k in 2021/22) and there were no outstanding balances at year end (£nil in 2021/22).

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 £4,356k in the current financial year (£4,326k in 2021/22). At 31 March 2023 £16k was outstanding (£11k at 31 March 2022). The Home Office has invoiced the Authority for £1,847k (£1,706k in 2021/22) in the current financial year. At 31 March 2023, no amounts were outstanding (£nil at 31 March 2022). All these amounts are payable and receivable within 30 days and not subject to interest.

The corporate governance arrangements of the Authority require members and senior Authority Officers 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:

Fiona Brunskill is the Interim Chief People Officer at Transport for London. In the course of the year, the Authority invoiced TfL for £83,670k (£80,293k in 2021/22) and was invoiced by TfL for £145k (£36k in 2021/22). As at 31 March 2023, £501k was due from TfL (£nil at 31 March 2022). 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.

Craig Mackey is an Independent Member at City of London Police Authority. In the course of the year,

the Authority invoiced City of London Police for £54k (£nil in 2021/22) and was invoiced by City of London Police for £17k (£10k in 2021/22.) All these amounts are payable and receivable within 30 days and not subject to interest. At 31 March 2023, no amounts were outstanding (£nil at 31 March 2022).

Nick Hawkins is the Legally Qualified Chair at PCC Northumbria and PCC Avon and Somerset. In the course of the year, the Authority invoiced Northumbria Police for £0.8k (£nil at 2021/2022) and was invoiced by Northumbria Police for £11k (£14k in 2021/2022). At 31 March 2023, no amounts were outstanding (£nil at 31 March 2022). In the current year, the Authority invoiced Avon and Somerset Police for £0.5k (£28k in 2021/2022) and was invoiced by Avon and Somerset Police for £37k (£61k in 2021/2022). As at 31st March 2023, no amounts were outstanding (£0.5k was owed from and £28k was due to the organisation at 31/03/2022).

Stewart Jackson is the HS2 independent Residents' Commissioner for the Department for Transport and Mike Gallop is a Project Director at Network Rail. Please see above for details of the transactions and balances with the Department for Transport and Network Rail. In the course of the year, the Authority invoiced HS2 for £483k (487k in 2021/22) and no amounts were invoiced by HS2 (£nil in 2021/22). As at 31 March 2023, £77k was due from HS2 (£65k in 2021/22). As at 31 March 2023, no amounts were due to HS2 (£nil in 2021/22). All of these amounts are payable and receivable within 30 days and not subject to interest.

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 reserve	
	£'000	£'000	£'000	£'000
Opening balance at 1 April 2021	46,463	5,219	(1,039,126)	(987,444)
Gains/(losses) on revaluation of assets	–	4,094	–	4,094
Actuarial gain/(loss)	–	–	233,190	233,190
Comprehensive income for the year	(109,883)	–	–	(109,883)
Reclassification	381	–	–	381
Transfer between reserves	107,130	(560)	(106,570)	–
DfT Grant funding recognised	13,149	–	–	13,149
Balance at 31 March 2022	57,240	8,753	(912,506)	(846,513)

	Distributable reserves	Undistributable reserves		Total
	Retained earnings	Revaluation reserve	Pension reserve	
	£'000	£'000	£'000	
Opening balance at 1 April 2022	57,240	8,753	(912,506)	(846,513)
Gains/(losses) on revaluation of assets	–	8,689	–	8,689
Actuarial gain/(loss)	–	–	968,480	968,480
Comprehensive income for the year	(107,199)	–	–	(107,199)
Reclassification	(521)	(42)	–	(563)
Transfer between reserves	106,409	(1,016)	(105,393)	–
DfT Grant funding recognised ⁶	1,342	–	–	1,342
Closing balance at 31 March 2023	57,271	16,384	(49,419)	24,236

Retained earnings/Distributable reserves

The Retained earnings reserves represent the BTPA'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 historical 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 and net interests are reflected in the SoCI and the total net pension liabilities for all staff, past and present, are shown in the SoFP, 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, Railpen have a role in relation to the management and administration of the scheme. The officer pension scheme, British Transport Police Force Superannuation Fund (BTPFSF), consists of two sections where members are entitled to final salary benefits and one further section where members are entitled to benefits based on career average earnings. The duration of the scheme is 20 years. Other staff may join the British Transport Police Section of the Railways Pension Scheme (RPS) which provides members with benefits based on final salary. The scheme duration is 29 years. Both schemes cover past and present employees, and aim to be fully funded.

The contribution and funding rates for the RPS section are set per the scheme rules; agreed at such rate

⁶ This is grant in aid provided by DfT (controlling party) funding for Operation London Bridge.

as the Designated Employer and the Trustee agree is appropriate subject to the Actuary's confirmation that the revised rates are sufficient to secure the solvency of the Section. The Future Service Joint Contribution Rate is set as the long term funding rate determined by the Actuary. The 2019 actuarial valuation of the BTP section of the RPS scheme was finalised and reported a long term funding shortfall of £6.3m. The Authority has agreed to meet the shortfall through lump sum payments of £1.27m on or before each 1 July from 2021 to 2026 inclusive. Contribution rates will increase to the future service joint contribution rate; with the share of this increase having been met by the Authority until 01 April 2022. These actions will ensure the section is sufficiently funded for future requirements. This shortfall does not affect the IFRS measurement of the liability. Should winding up ever occur, the scheme rules would be applied which covers the order of priority by which benefits are provided in the event of a shortfall or surplus. The 2018 actuarial valuation of the BTPFSF has not yet been finalised. Discussions continue with The Pensions Regulator and DfT regarding assumptions made by the Trustee. Meanwhile the 2021 actuarial valuation of the BTPFSF has been approved by the employer.

The impact of COVID-19 on the pension scheme valuations has been considered in the current financial year. Further detail on this is covered at the end of this report. Market volatility which has occurred around recent year-ends has also been assessed to ensure accurate valuation of assets.

BTPA has obtained approval to implement a new defined contribution scheme for new entrants offering a choice of contribution rates. The current BTP section of the Railway Pension Scheme will remain open to new entrants until a set date during the next financial year, after which point the section will close.

Please refer to the pension benefits section of the remuneration report for further context.

The Authority have engaged corporate actuary XPS to support the choice of financial assumptions as well as supporting the IAS 19 technical calculations used in completing the following disclosure. The single equivalent rate from the Merrill Lynch AA yield curve has been applied for the discount rate assumption; a consistent method to previous accounting years. This discount rate has increased from 2.60% in 2021/2022 to 4.70% in 2022/2023, largely driven by the economic climate. An increase of this level has a large impact on the pension liability and is the main cause for the significant decrease in the liability for both schemes this year.

The net position of the schemes at 31 March 2023 were as follows:

	2022/23	2021/22
	£'000	£'000
Net pension liabilities		
British Transport Police Force Superannuation Fund	(38,051)	(727,711)
British Transport Police Section of the Railways Pension Scheme	(11,368)	(184,798)
	(49,419)	(912,510)

The amounts recognised in the SoCI are as follows⁷:

Pension costs reflected in the SoCI		
Current Service Cost – BTPFSF	81,910	86,710
Current Service Cost – RPS	23,600	23,290
Administrative expenses and taxes – BTPFSF	2,760	2,660
Administrative expenses and taxes – RPS	1,030	1,090
	109,300	113,750

⁷ 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.

IAS19 interest reflected in the SoCI		
Net Interest – BTPFSF	18,700	16,350
Net Interest – RPS	4,720	3,680
	23,420	20,030
Total amount recognised in the SoCI	132,720	133,780

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 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.

		2022/23	2021/22
	Note	£'000	£'000
BTPFSF			
Current service cost	23D	81,910	86,710
Administrative expenses and taxes	23D	2,760	2,660
		84,670	89,370
RPS			
Current service cost	23D	23,600	23,290
Administrative expenses and taxes	23D	1,030	1,090
		24,630	24,380
Total I&E expenses		109,300	113,750
Less employer contributions			
– Employer contributions BTPFSF	23B	19,160	19,120
– Employer contributions RPS (including BRASS ⁸ matching)	23B	8,170	8,090
Total employer contributions		27,330	27,210
Total IAS 19 pension adjustment reported in the SoCF		81,970	86,540

8 British Rail Additional Superannuation Scheme (BRASS).

British Transport Police Force Superannuation Fund

A. Change in defined benefit obligation

	2022/23	2020/21
	£'000	£'000
Defined benefit obligation at end of the prior year	2,413,372	2,418,447
Current service cost	81,910	86,710
Interest expense	62,100	46,730
Cash flows		
– Benefits payments from plan	(62,730)	(57,130)
– Participant contributions	12,790	12,760
Remeasurements		
– Effect of changes in financial assumptions	(1,018,810)	(101,070)
– Effect on changes in demographic assumptions	(40,090)	(2,040)
– Effect of experience adjustments	219,440	8,965
Defined benefit obligation at end of year	1,667,982	2,413,372

B. Changes in fair value of plan assets

	2022/23	2021/22
	£'000	£'000
Fair value of plan assets at end of the prior year	1,685,661	1,572,051
Interest Income	43,400	30,380
Cash flows		
– Employer contributions	19,160	19,120
– Government support payments	–	–
– Participant contributions	12,790	12,760
– Benefits payments from plan	(62,730)	(57,130)
– Administrative expenses paid from plan assets	(2,760)	(2,660)
Return on plan assets (excluding interest income)	(65,590)	111,140
Fair value of plan assets at end of year	1,629,931	1,685,661

C. Amounts recognised in the SoFP

	2022/23	2021/22
	£'000	£'000
Defined benefit obligation	1,667,982	2,413,372
Fair value of plan assets	(1,629,931)	(1,685,661)
Net liability	38,051	727,711

D. Components of defined benefit cost

	2022/23	2021/22
	£'000	£'000
Service Cost		
– Current service cost	81,910	86,710
Total service cost	81,910	86,710
Net interest cost		
– interest expense on defined benefit obligation	62,100	46,730
– interest (income) on plan assets	(43,400)	(30,380)
Total net interest cost	18,700	16,350
Administrative expenses and taxes	2,760	2,660
Defined benefit cost included in the SoCI	103,370	105,720
Remeasurements (recognised in OCI)		
– Effect on changes in demographic assumptions	(40,090)	(2,040)
– Effect of changes in financial assumptions	(1,018,810)	(101,070)
– Effect of experience adjustments	219,440	8,965
– Return on plan assets (excluding interest income)	65,590	(111,140)
Total remeasurements included in OCI	(773,870)	(205,285)
Total defined benefit cost recognised in SoCI and OCI	(670,500)	(99,565)

The Authority expects the service cost for the year ending 31 March 2024 to be £32.03 million (31 March 2023: £81.91 million).

E. Net defined benefit liability (asset) reconciliation

	2022/23	2021/22
	£'000	£'000
Opening net defined benefit liability (asset)	727,711	846,396
Defined benefit cost included in the SoCI	103,370	105,720
Total remeasurements included in OCI	(773,870)	(205,285)
Employer contributions	(19,160)	(19,120)
Net defined benefit liability (asset) as of end of year	38,051	727,711

The liability has decreased from 2021/22, primarily based on the increase in discount rate as detailed in note 23H.

F. Defined benefit obligation

Defined benefit obligation by participant status	2022/23	2021/22
	£'000	£'000
– Actives	590,476	1,182,571
– Vested deferreds	111,476	159,216
– Retirees	966,030	1,071,585
Total	1,667,982	2,413,372

G. Analysis of scheme assets**Unitisation**

The asset values disclosed reflect BTPA's exposure to underlying asset classes through holdings of units of the pooled funds in which the underlying assets are held. Underlying assets are managed by the pension administrator, Railpen and the control over economic benefits for BTPA is established through the unitisation of those funds. The table below has been used to illustrate the underlying assets proportional to BTPA's unit holdings in various pooled funds, and their position in the fair value hierarchy of the underlying assets. Level 1 and 2 assets include diversified Exchange Traded Funds valued at open trading prices; the Level 3 include property, private equity and non-exchange-traded Pooled Investment Vehicles equity. This is discussed below and relates to illiquid direct property and equity held directly within Railpen pooled funds.

British Transport Police Force Superannuation Fund	2022/23				2021/22
	Fair value Level 1	Level 2	Level 2	Total	Total
	£ million	£ million	£ million	£ million	£ million
Private equity and non-exchange-traded Pooled Investment Vehicles	–	–	460.83	460.83	449.65
Equities	736.42	–	42.73	779.15	780.63
Cash and current assets	109.18	–	–	109.18	122.20
Fixed Interest Securities	0.24	6.10	4.29	10.63	69.02
Index Linked Securities	178.98	–	–	178.98	76.89
Derivatives – Future	(0.06)	–	–	(0.06)	(0.06)
Derivatives – FX Contracts	–	–	–	–	–
UK Property	–	–	21.30	21.30	21.89
Pooled Investment Vehicles	–	65.25	–	65.25	66.15
Other	–	–	4.67	4.67	–
Fair value of plan assets	1,024.76	71.35	533.82	1,629.93	1586.37
Present value of funded obligations				(1,667.98)	(2,413.37)
Net liability				(38.05)	(827.00)

The figures in the table may not sum due to rounding.

Due to the nature of the Level 3 asset class there is inherent uncertainty in the valuation. The table below illustrates the impact of a 5% change across specific Level 3 asset classes and the total asset portfolio for each scheme

British Transport Police Force Superannuation Fund	2022/23		
	Change in asset class value	Change in total value of plan assets	Change in deficit £ million
Private equity and non-exchange-traded Pooled Investment Vehicles	+5%	1.41%	(23.04)
	-5%	-1.41%	23.04
UK Property	+5%	0.07%	(1.06)
	-5%	-0.07%	1.06
Total plan assets	+5%	5.00%	(81.50)
	-5%	-5.00%	81.50

H. Significant actuarial assumptions

Weighted average assumptions to determine benefit obligations	2022/23	2021/22
Discount rate	4.70%	2.60%
Rate of price inflation (RPI) [^]	3.10%	3.50%
Rate of price inflation (CPI) [^]	2.80%	3.15%
Rate of increase /(decrease) in salaries*	2.80%	3.15%
Rate of pension increase	2.80%	3.15%

* Salary increase assumptions have remained in line with an initial best estimate of salary increases for a period of time and then in line with inflation thereafter. Therefore, allowance has been made for short term pay increases of 4.00% for the first year following the measurement date, then 3.00% in the second year, and 2.00% for the third to fifth years following that. The inflation used after the initial period has been based on CPI over the year. This represents a change in best estimate long term increases. At both measurement dates, a promotional scale is applied in addition to the rate of salary increases shown above.

[^] The actuarial model uses both RPI and CPI. RPI is used to estimate price increases whilst CPI is used to estimate benefit increases. On 4 September 2019, the UK Government announced that it would consult on the UK Statistics Authority's proposals to align RPI with CPIH by 2030. On 25 November 2020, HM Treasury and the UK Statistics Authority released their joint response in relation to the consultation on the reform of the RPI methodology. This confirmed that the RPI index will be aligned with the CPIH index from February 2030, which is similar in construction and calculation to the CPI index. To reflect this, BTPA has changed the derivation of the CPI inflation assumption to be 1% p.a. lower than RPI inflation for the period up to 2030 and 0% p.a. lower than RPI inflation for the period from 2030. This leads to a single equivalent deduction of 0.30% p.a. from the RPI inflation assumption to derive the CPI inflation assumption.

The total impact of the change in RPI-CPI wedge is the sum of the inflation sensitivities for each scheme where there was a 50 basis point decrease in price inflation amounting to £87m. £73m of this relates to British Transport Police Force Superannuation Fund and £14m relates to Railway Pension Scheme.

Assumed life expectations on retirement at age 65	2022/23	2021/22
Retiring today – Males	22.1	22.3
Retiring today – Females	24.3	24.7
Retiring in 20 years time – Males	23.4	23.6
Retiring in 20 years time – Females	25.8	26.1

Expected future benefit payments from the BTPFSF, based on data from the formal valuation and the 31 March 2023 IAS 19 assumptions:	2022/23	2021/22
	£ million	£ million
Benefits expected to be paid with 12 months	65.0	59.0
Benefits expected to be paid between 2 to 3 years	138.0	122.0
Benefits expected to be paid between 4 to 6 years	221.0	200.0
Benefits expected to be paid between 7 to 10 years	318.0	292.0
Benefits expected to be paid between 11 to 15 years	437.0	413.0
Benefits expected to be paid in over 15 years	3,428.0	3,520.0

I. Sensitivity analysis

The below table shows the impact of changes to assumptions to the net pension deficit

Net liability (asset), excluding any effect of asset limit	2022/23	2021/22
	£ million	£ million
Base	38.05	727.71
Discount rate		
– Discount rate -25 basis points	72.15	136.74
– Assumption	4.45%	2.35%
– Discount rate +25 basis points	(67.41)	(126.10)
– Assumption	4.95%	2.85%
Inflation rate		
– Inflation rate -50 basis points	(112.30)	(213.90)
– Assumption	2.30%	2.65%
– Inflation rate +50 basis points	124.11	241.57
– Assumption	3.30%	3.65%
Mortality		
– Mortality	47.81	89.26
– Assumption	Plus one year age rating	Plus one year age rating

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

	£ million	Sensitivities from Base Financial Year (FY) 2023 (one item changed with all others held constant)					
	FY 2022	Base FY 2023	Minus 0.25% discount rate	Plus 0.25% discount rate	Minus 0.5% inflation rate	Plus 0.5% inflation rate	Mortality sensitivity
Analysis of net SoFP							
Fair value of scheme assets	1,685.66	1,629.93	1,629.93	1,629.93	1,629.93	1,629.93	1,629.93
Present value of benefit obligations	2,413.37	1,667.98	1,740.13	1,600.57	1,555.69	1,792.09	1,715.79
Net liability/(asset), excluding any effect of asset limit	727.71	38.05	110.20	(29.36)	(74.24)	162.16	85.86

	£ million	Sensitivities from Base Financial Year (FY) 2024 (one item changed with all others held constant)					
	Actual FY 2023	Base FY 2024	Minus 0.25% discount rate	Plus 0.25% discount rate	Minus 0.5% inflation rate	Plus 0.5% inflation rate	Mortality sensitivity
Analysis of projected pension cost							
Current service cost	81.91	32.04	35.80	30.03	28.41	37.97	33.67
Interest cost	62.10	77.24	76.34	78.01	71.96	83.07	79.48
Interest income on scheme assets	(43.40)	(75.83)	(71.79)	(79.82)	(75.83)	(75.83)	(75.83)
Administrative expenses and taxes	2.76	2.76	2.76	2.76	2.76	2.76	2.76
Total pension cost before asset limit	103.37	36.21	43.11	30.94	27.30	47.97	40.08

	FY 2022	Base FY 2023	Minus 0.25% discount rate	Plus 0.25% discount rate	Minus 0.5% inflation rate	Plus 0.5% inflation rate	Mortality sensitivity
Actuarial assumptions							
Discount rate	2.60%	4.70%	4.45%	4.95%	4.70%	4.70%	4.70%
Rate of RPI assumption	3.50%	3.10%	3.10%	3.10%	2.60%	3.60%	3.10%
Rate of CPI assumption	3.15%	2.80%	2.80%	2.80%	2.30%	3.30%	2.80%
Rate of salary increase*	3.15%	2.80%	2.80%	2.80%	2.30%*	3.30%*	2.80%
Rate of pension increase	3.15%	2.80%	2.80%	2.80%	2.30%*	3.30%*	2.80%

Mortality Table	In line with the actuarial valuation as at 31 December 2021 but using the 2021 CMI model with long term improvements of 1.25% p.a. and an initial addition of 0.2%	In line with the actuarial valuation as at 31 December 2021 but using the 2021 CMI model with long term improvements of 1.25% p.a. and an initial addition of 0.2%	In line with the actuarial valuation as at 31 December 2021 but using the 2021 CMI model with long term improvements of 1.25% p.a. and an initial addition of 0.2% plus a one year age rating
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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 4% for the first year, 3% for the second year and 2% for the following 3 years. 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

	2022/23	2021/22
	£'000	£'000
Defined benefit obligation at end of the prior year	429,879	410,490
Current service cost	23,600	23,290
Interest expense	11,170	7,990
Cash flows		
– Benefits payments from plan	(5,720)	(5,480)
– Participant contributions	4,570	4,240
Remeasurements		
– Effect of changes in financial assumptions	(238,540)	(11,140)
– Effect of experience adjustments	32,430	(511)
– Effect on changes in demographic assumptions	–	1,000
Defined benefit obligation at end of year	257,389	429,879

B. Changes in the fair value of plan assets

	2022/23	2021/22
	£'000	£'000
Fair value of plan assets at end of the prior year	245,081	217,761
Interest Income	6,450	4,310
Cash flows		
– Employer contribution (including BRASS matching)	8,170	8,090
– Participant contributions	4,570	4,240
– Benefits payments from plan	(5,720)	(5,480)
– Administrative expenses paid from plan assets	(1,030)	(1,090)
Return on plan assets (excluding interest income)	(11,500)	17,250
Fair value of plan assets at end of year	246,021	245,081

C. Amounts recognised in the SoFP

	2022/23	2021/22
	£'000	£'000
Defined benefit obligation	257,389	429,879
Fair value of plan assets	(246,021)	(245,081)
Net liability	11,368	184,798

D. Components of defined benefit cost

	2022/23	2021/22
	£'000	£'000
Service cost		
Current service cost	23,600	23,290
Total service cost	23,600	23,290
Net interest cost		
– interest expense on defined benefit obligation	11,170	7,990
– interest (income) on plan assets	(6,450)	(4,310)
Total net interest cost	4,720	3,680
Administrative expenses and taxes	1,030	1,090
Defined benefit cost included in the SoCI	29,350	28,060
Remeasurements (recognised in OCI)		
– Effect of changes in financial assumptions	(238,540)	(11,140)
– Effect of experience adjustments	32,430	(511)
– Return on plan assets (excluding interest income)	11,500	(17,250)
– Net measurement regains/(losses) – demographic	–	1,000
Effect of asset limitation and IAS minimum funding requirement	–	–
Total remeasurements included in OCI	(194,610)	(27,901)
Total defined benefit cost recognised in SoCI and OCI	(165,260)	159

The Authority expects the service cost for the year ending 31 March 2024 to be £9.49 million (31 March 2023: £23.6 million).

E. Net defined benefit liability (asset) reconciliation

	2022/23	2021/22
	£'000	£'000
Opening net defined benefit liability (asset)	184,798	192,729
Effect of changes in demographic assumptions	29,350	28,060
Total defined benefit cost recognised in the SoCI and OCI	(194,610)	(27,901)
Employer contributions	(8,170)	(8,090)
Net defined benefit liability (asset) as of end of year	11,368	184,798

The liability has decreased from 2020/21, primarily based on the increase in discount rate and inflation rate as detailed in note 23H.

F. Defined benefit obligation

	2022/23	2021/22
Defined benefit obligation by participant status	£'000	£'000
– Actives	139,760	237,005
– Vested deferreds	78,872	138,667
– Retirees	38,757	54,207
Total	257,389	429,879

G. Analysis of scheme assets**Unitisation**

The asset values disclosed reflect BTPA's exposure to underlying asset classes through holdings of units of the pooled funds in which the underlying assets are held. Underlying assets are managed by the pension administrator, Railpen, and the control over economic benefits for BTPA is established through the unitisation of those funds. The table below has been used to illustrate the underlying assets proportional to BTPA's unit holdings in various pooled funds, and their position in the fair value hierarchy of the underlying assets. Level 1 and 2 assets include diversified Exchange Traded Funds valued at open trading prices; the Level 3 include property, private equity and non-exchange-traded Pooled Investment Vehicles equity. This is discussed below and relates to illiquid direct property and equity held directly within Railpen pooled funds.

Railway Pension Scheme	2022/23				2021/22
	Fair value Level 1	Level 2	Level 2	Total	Total
	£ million	£ million	£ million	£ million	£ million
Private equity and non-exchange -traded Pooled Investment Vehicles	–	–	61.20	61.20	59.80
Equities	130.53	–	6.17	136.70	124.20
Cash and current assets	18.88	–	–	18.88	18.68
Fixed Interest Securities	–	0.47	0.33	0.80	7.59
Index Linked Securities	15.24	–	–	15.24	6.77
Derivatives – Future	(0.01)	–	–	(0.01)	(0.01)
Derivatives – FX Contracts	–	–	–	–	–
UK Property	–	–	1.65	1.65	17.51
Pooled Investment Vehicles	–	11.56	–	11.56	10.53
Other	–	–	–	–	–
Fair value of plan assets	164.64	12.03	69.35	246.02	245.07
Present value of funded obligations				(257.39)	(429.88)
Net liability				(11.37)	(184.81)

The figures in the table may not sum due to rounding.

Due to the nature of the Level 3 asset class there is inherent uncertainty in the valuation. The table below illustrates the impact of a 5% change across specific Level 3 asset classes and the total asset portfolio for each scheme.

Railway Pension Scheme	2022/23		
	Change in value	Percentage Change	Change in deficit £ million
Private equity and non-exchange -traded Pooled Investment Vehicles	+5%	1.24%	(3.06)
	-5%	-1.24%	3.06
UK Property	+5%	0.03%	(0.08)
	-5%	-0.03%	0.08
Total plan assets	+5%	5.00%	(12.30)
	-5%	-5.00%	12.30

H. Significant actuarial assumptions

Weighted average assumptions to determine benefit obligations	2022/23	2021/22
Discount rate	4.70%	2.60%
Rate of price inflation (RPI) [^]	3.10%	3.50%
Rate of price inflation (CPI) [^]	2.80%	3.15%
Rate of increase/(decrease) in salaries*	2.80%	3.15%
Rate of pension increase	2.80%	3.15%

* Salary increase assumptions have remained in line with an initial best estimate of salary increases for a period of time and then in line with inflation thereafter. Therefore, allowance has been made for short term pay increases for each year of the 5 years following the measurement date. The inflation used after the initial period has been based on CPI over the year. This represents a change in best estimate long term increases. At both measurement dates, a promotional scale is applied in addition to the rate of salary increases shown above.

[^] The actuarial model uses both RPI and CPI. RPI is used to estimate price increases whilst CPI is used to estimate benefit increases. On 4 September 2019, the UK Government announced that it would consult on the UK Statistics Authority's proposals to align RPI with CPIH by 2030. On 25 November 2020, HM Treasury and the UK Statistics Authority released their joint response in relation to the consultation on the reform of the RPI methodology. This confirmed that the RPI index will be aligned with the CPIH index from February 2030, which is similar in construction and calculation to the CPI index. To reflect this, BTPA has changed the derivation of the CPI inflation assumption to be 1% p.a. lower than RPI inflation for the period up to 2030 and 0% p.a. lower than RPI inflation for the period from 2030. This leads to a single equivalent deduction of 0.30% p.a. from the RPI inflation assumption to derive the CPI inflation assumption.

The total impact of the change in RPI-CPI wedge is the sum of the inflation sensitivities for each scheme where there was a 50 basis point decrease in price inflation amounting to £87m. £73m of this relates to British Transport Police Force Superannuation Fund and £14m relates to Railway Pension Scheme.

Assumed life expectations on retirement at age 65	2022/23	2021/22
Retiring today – Males	20.8	20.8
Retiring today – Females	23.1	23.0
Retiring in 20 years time – Males	22.2	22.1
Retiring in 20 years time – Females	24.6	24.5

Expected future benefit payments from the fund, based on data from the 2019 formal valuation and the 31 March 2023 IAS 19 assumptions	2022/23	2021/22
	£ million	£ million
Benefits expected to be paid within 12 months	6.00	5.00
Benefits expected to be paid between 2 to 3 years	13.00	16.00
Benefits expected to be paid between 4 to 6 years	23.00	30.00
Benefits expected to be paid between 7 to 10 years	39.00	50.00
Benefits expected to be paid between 11 to 15 years	64.00	78.00
Benefits expected to be paid in over 15 years	683.00	635.00

I. Sensitivity analysis

The below table shows the impact of changes to assumptions to the net pension deficit:

Net liability (asset), excluding any effect of asset limit	2022/23	2021/22
	£ million	£ million
Base	11.37	184.80
Discount rate		
– Discount rate –25 basis points	16.52	31.95
– Assumption	4.45%	2.35%
– Discount rate +25 basis points	(15.29)	(29.30)
– Assumption	4.95%	2.85%
Inflation rate		
– Inflation rate –50 basis points	(25.62)	(48.72)
– Assumption	2.30%	3.00%
– Inflation rate +50 basis points	29.16	56.26
– Assumption	3.30%	4.00%
Mortality		
– Mortality	6.78	16.20
– Assumption	Plus one year age rating	Plus one year age rating

Further details on sensitivity can be found in the table overleaf.:

	£ million	Sensitivities from Base Financial Year (FY) 2023 (one item changed with all others held constant)					
Analysis of net SoFP	FY 2022	Base FY 2022	Minus 0.25% discount rate	Plus 0.25% discount rate	Minus 0.5% inflation rate	Plus 0.5% inflation rate	Mortality sensitivity
Fair value of scheme assets	245.08	246.02	246.02	246.02	246.02	246.02	246.02
Present value of benefit obligations	429.88	257.39	273.91	242.10	231.77	286.55	264.17
Net liability/(asset), excluding any effect of asset limit	184.80	11.37	27.89	(3.92)	(14.25)	40.53	18.15

	£ million	Sensitivities from Base Financial Year (FY) 2024 (one item changed with all others held constant)					
Analysis of projected pension cost	Actual FY 2023	Base FY 2024	Minus 0.25% discount rate	Plus 0.25% discount rate	Minus 0.5% inflation rate	Plus 0.5% inflation rate	Mortality sensitivity
Current service cost	23.60	9.49	9.88	8.05	7.61	10.42	9.25
Interest cost	11.17	12.07	12.16	11.96	10.87	13.44	12.39
Interest income on scheme assets	(6.45)	(11.70)	(11.08)	(12.32)	(11.70)	(11.70)	(11.70)
Administrative expenses and taxes	1.03	1.03	1.03	1.03	1.03	1.03	1.03
Total pension cost before asset limit	29.35	10.89	11.99	8.72	7.81	13.19	10.97

Actuarial assumptions	FY 2022	Base FY 2023	Minus 0.25% discount rate	Plus 0.25% discount rate	Minus 0.5% inflation rate	Plus 0.5% inflation rate	Mortality sensitivity
Discount rate	2.60%	4.70%	4.45%	4.95%	4.70%	4.70%	4.70%
Rate of RPI assumption	3.50%	3.10%	3.10%	3.10%	2.60%	3.60%	3.10%
Rate of CPI assumption	3.15%	2.80%	2.80%	2.80%	2.30%	3.30%	2.80%
Rate of increase in salaries*	3.15%	2.80%	2.80%	2.80%	2.30%	3.30%	2.80%

Mortality Table	In line with the actuarial valuation as at 31 December 2019 but using the 2021 CMI model with long term improvements of 1.25% p.a. and an initial addition of 0.2%	In line with the results of the actuarial valuation as at 31 December 2019 but using the 2021 CMI model with long term improvements of 1.25% p.a. and an initial addition of 0.2% from 2019 onwards.	In line with the results of the actuarial valuation as at 31 December 2019 but using the 2021 CMI model with long term improvements of 1.25% p.a. and an initial addition of 0.2% adjusted to give one year added life expectancy from 2019 onwards.
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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 equal to 4%, 3%, 2%, 2% and 2% for the first 5 years respectively. Then increases at the assumed rate of increase in salaries thereafter. At both measurement dates, a promotional scale is applied in addition to the rate of salary increases shown above.

Mortality assumptions

Future mortality expectations are likely to need to be considered once the effects on the underlying population health are more fully understood. There is a lag for mortality data to be processed to the models on which future mortality expectations are based. As yet, there are no firm conclusions on the impact on mortality, but this is expected to emerge as more data is collected.

Please see the previous tables for the sensitivity of the results to changes in mortality assumptions.

COVID-19

We are aware that our analysis may be affected by risks arising from the impact of the COVID-19 pandemic. Whilst the short term impact is more clearly understood at this stage, the full impact of the COVID-19 pandemic in the long term remains uncertain. The mortality rates experienced for recent years in both schemes show no significant change in mortality based on the review of the data provided by the Schemes' Actuaries. No margins have been applied to this analysis to reflect this risk.

24. Events occurring after the reporting date

There are no events to report. The Accounting Officer authorised these financial statements for issue on the date of the Comptroller and Auditor General signature.

