



British Transport Police Fund

Annual Report and Accounts

for the year ending
31 March 2020



British Transport Police Fund

Statement of Accounts

for the year ending 31 March 2020

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

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Performance Report

1

Performance Overview

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Performance Overview

Chair's Statement

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

The financial year from April 2019 to March 2020 was a successful one for the BTP and proceeded as expected until the COVID-19 crisis hit the UK during the first half of 2020. My Authority colleagues and I are full of admiration for the way our officers, PCSOs and staff responded to the crisis, dealing with passengers who were suddenly discouraged from making journeys or using their community hub railway stations. The way the BTP adapted so swiftly and professionally to a new stream of issues raised by the onset of the pandemic and lockdown was a testament to the dedication of our officers and staff, and to the Force as a whole.

Notwithstanding the considerable effect of COVID-19, we should not let the pandemic detract from the Force's achievements in the preceding months of 2019 and early 2020. I am pleased to see the chance of becoming a victim on the railway remains very low, with thankfully only 22.7 crimes per million passenger journeys made, and the number of crimes being solved has increased since 2018/19.

Following the success of the 61016 text reporting service, BTP launched an online reporting tool, which makes it easier for people to report crime. This has seen almost 15,000 crime reports since its launch in April 2019.

Safeguarding young and vulnerable people on the railway has remained a priority for the BTP, supported this year by a huge push to tackle County Lines offences with the support of the Home Office. A joint effort by the Authority and BTP achieved major success in October last year, when the Government approved £1m of discrete additional funding towards the BTP's efforts to crack down on County Lines criminality on the railway. This was succeeded by a further commitment of £3.3m for the 2020/21 financial year. We will continue our efforts to work with Government and raise awareness of BTP's critical role in tackling national crimes, the consequences of which are felt beyond the railway and impact society generally.

The force continues to support the national efforts to tackle knife crime and violence reduction through Operation Sentinel. BTP has seen a marginal decrease in serious violence and knife-enabled offences, as well as a welcome decrease in violence against rail staff.

Reduction of trespass and disruption continues to be a priority. BTP and industry partners have this year been working on an evolving list of hotspot locations and have seen, as a result of targeted interventions, a reduction of activity at these locations.

The Scottish Railways Policing Committee, a sub-committee of the BTPA, was established and met for the first time in October 2019. Working with the Scottish Government and Scottish Police Authority, it is designed to improve the accountability and transparency of railway policing in Scotland. The committee meets quarterly and a programme of work is being developed by the committee.

The achievements described above could not have happened without the excellent joint working between BTP/A and its industry counterparts at every level. In September 2019, the Authority hosted a very successful industry event at which representatives from train operating companies were invited to discuss key strategic topics facing the BTP. These included debates around the BTPA charging mechanism, the preferred policing

model of reassurance or response, relationship management and the effectiveness of our different contracts (Police Service Agreements). The event was hugely effective in broadening communications between the Authority, the Force and the industry, whilst also giving us invaluable insight into the industry's priorities and how these relate to our own.

Looking to the future, we hope to hold more of these events – potentially at a regional level – to get to know our local stakeholders and discuss how we can work better together. We had planned to meet with Transport for Wales and other Welsh partners in March 2020 but unfortunately this event was cancelled due to the COVID-19 outbreak. We hope to rearrange this and host further events across England, Scotland and Wales in the coming year.



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 national dedicated police force for the railways. There were between 12 and 15 members of the BTPA throughout the 2019/20 period who 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 for its budget. Members also carry out supporting business through committees and working groups, the current structure includes:

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

- Scottish Railways Policing Committee
- Policing Plan Working Group
- Pensions Working Group
- Transformation Working Group

Our vision

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

Our mission

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



We are an independent body responsible for overseeing the work of the British Transport Police (BTP)

Our ambition and objectives

Protecting People

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

Reducing Delays and Disruption

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

Providing Value for Money

Putting our people in the places where they are needed most, investing in technology, identifying additional sources of funding and providing regular, consistent and relevant reports to stakeholders.

Building a Skilled and Specialist Workforce

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

Our values

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

Proud

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

Compassionate

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

Commercially Aware

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

Professional

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


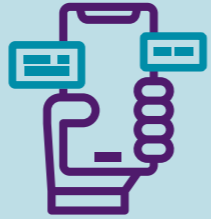




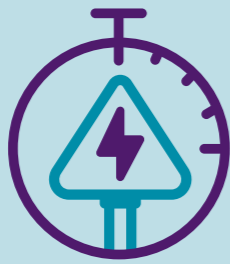
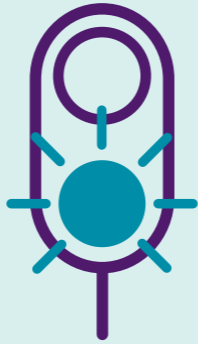
Safety Conscious

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



Performance Summary

Key Achievements

| | |
|--|---|
| <p>Low risk of crime</p> <p>The chance of becoming a victim on the railway remains low, with only 22.7 crimes recorded per million passenger journeys made in 2019/20.</p>  | <p>Making it easier to report crime</p> <p>The launch of a new online reporting facility in April 2019 led to 14,792 public online crime reporting forms being received by the Force in 2019/20. This was in addition to the 131,792 texts received to the existing 'See it, Say it, Sorted' text messaging reporting service.</p>  |
| <p>Improving efficiencies</p> <p>BTP have continued the BTP2021 transformation programme, resulting in £6.8m savings recorded in 2019/20.</p>  | <p>Safeguarding vulnerable people</p> <p>2,471 missing children and young people found by BTP and 2,226 life-saving interventions made by BTP and others on the railway in 2019/20.</p>  |
| <p>County Lines Taskforce</p> <p>£1million grant from Home Office to create BTP's dedicated County Lines taskforce, resulting in over 80 County Lines arrests (over 270 arrests in total), 145 drug seizures, 38 weapons recovered and over £100k cash seized by BTP.</p>  | <p>Trespass</p> <p>Six of the previous 'top ten' trespass locations have had reduced incidents in 2019/20 following proactive work by BTP</p>  |
| <p>Prompt but sensitive management of fatal incidents</p> <p>Average arrival time of 19 minutes to fatal incidents on the railway, with an average BTP management time of 91 minutes.</p>  | <p>Delays and disruption</p> <p>No change to the number of police-related delay minutes on the railway in 2019/20 compared to last year.</p>  |



Performance Summary

Operational Analysis

This section sets out the activities, achievements and challenges in 2019/20, against our strategic and annual operational objectives.

This year saw a significant ongoing programme of business change across BTP in relation to operating structures, resource deployment and ways of working. These changes are being implemented as part of our Strategic Plan for 2018-2021 and seek to drive improvements in efficiency and effectiveness, increasing the ability of our frontline to meet the changing demand for policing on the railways in future years. In reviewing the in-year performance it is also important to reflect on this context.

While there have been operational challenges during 2019/20, the risk of being a victim of crime on the railways remains relatively low. Significant work has continued to be carried out in partnership with the rail industry on issues that cause railway disruption and to safeguard vulnerable people.

During the final quarter of the year, BTP/A had to respond to the COVID-19 pandemic, a new risk that impacted operations before the year-end. A critical incident was declared and police staff resources were directed to the planning and mobilisation of operations to support the emergency legislation enacted by the UK Government. While the low numbers of passengers using the railway network during the lockdown resulted in reduced crime, there were periods of increased deployment of officers during the period to uphold the emergency legislation and discourage the public from travelling unnecessarily.

During the year, BTP/A brought forward aspects of their new technology and facilitated remote working for police staff. While this resulted in increased spend in 2019/20, much of this was spend budgeted for in 2020/21 and for subsequent years within the 5-year Medium Term Financial Plan which was brought forward. There has however been a delay in some areas of the transformation programme due to staff being redeployed.

BTP is funded by the rail industry. Reduced passenger numbers and economic uncertainty resulted in the Department for Transport enacting Emergency Measures Agreements in March 2020. This enabled

train operating companies (TOCs) to transfer revenue and cost risks to the Government. This will provide financial stability to enable BTP to continue policing Britain's railway over the coming months.

COVID-19 will continue to have an impact going forward. BTP/A will monitor the changing situation to adapt and respond as necessary.

Strategic Plan

The BTPA's Strategic Plan for 2018-2021 has four overarching objectives that address the priorities of the industry, passengers, rail staff and all those that use the railway and its infrastructure.

Our 2018-21 Strategy sets out four priority areas:

- Protecting People
- Reducing Delays and Disruption
- Providing Value for Money
- Building A Skilled and Specialist Workforce



Significant work has continued to be done in partnership with the rail industry on issues that cause railway disruption and to safeguard vulnerable people.

1

Protecting People

Everyone who uses the railways for travel, leisure or a place to work deserves to feel safe and confident to do so.

The chance of becoming a victim on the railway remains low with only 22.7 crimes recorded per million passenger journeys made between 1 April 2019 and 31 March 2020.

The chance of becoming a victim of serious crime is even lower with one serious violent crime per million passenger journeys (3,093 crimes in 2019/20; 3,127 in 2018/19).¹ There was an 8% increase in the number of offences recorded by BTP nationally compared to last year, from 68,002 to 73,343 notifiable offences. This increase is in line with that experienced across England and Wales but was also driven by an increase in theft of passenger property offences. The latest figures from the Office for National Statistics (ONS), show that in the 12 months ending December 2019, Police Forces in England and Wales recorded 4% more crime (excluding fraud) than the same period in 2018 (BTP reported a 10% increase in crimes, excluding fraud, in England and Wales during this period).² The number of crimes recorded by BTP in Scotland (BTP D Division) in 2019/20 increased by 5% compared to last year, from 1,278 to 1,342. The number of offences increased by 8%, from 2,888 to 3,130.³ Provisional crime figures published by Police Scotland for 2019/20 showed that they recorded 1% more crime and a 1% more offences when compared

to the previous year.⁴ Despite more offences, BTP increased its rate of crimes being solved. In 2019/20, BTP solved 18,794 offences, which was an overall solve rate of 18%, (2018/19: 15%).⁵

The increase in overall recorded crime should be seen in the context of BTP's crime reporting initiatives, which continue to focus on making it easier for members of the public to contact them using different means. The launch of an online reporting facility in April 2019 led to 14,792 public online crime reporting forms being received by the Force in 2019/20. In addition, there were 131,792 61016 texts received in 2019/20, leading to 6,186 crimes being recorded, in comparison to 105,498 texts leading to 6,935 crimes in 2018/19.

Safeguarding vulnerable people on the railway is critically important and BTP continues to work to increase the safety of children, young people, vulnerable adults and railway staff through working with other police forces and agencies.

There were 2,471 missing children and young people found by BTP in 2019/20 (2018/19: 2,130). There have also been 2,226 life-saving interventions made by BTP and others on the railway this year (2018/19: 2,391), and BTP used Mental Health Powers to support people in crisis 2,093 times (2018/19: 2,550).

In the Autumn of 2019, BTP's role in tackling County Lines offences on the railway was recognised by

the Home Office and an initial grant was made to the Force of £1m for 2019/20. This grant enabled BTP to augment and enhance activity in this important area of criminality on the railway with the creation of a BTP dedicated County Lines taskforce, which was established in December 2019.

The taskforce has already realised some significant results: BTP made over 80 County Lines arrests (over 270 arrests in total by the Taskforce), 145 drug seizures, 181 phone seizures, recovered 38 weapons and seized over £100k cash. Whilst the taskforce is deployed on specific County Lines intelligence-led operations, arrests are often made for other policing matters, including weapons, anti-social behaviour, low-level violence and identifying already wanted people.

The Home Office have since confirmed that the financial provision will continue throughout 2020/21 with a confirmed grant of £3.3m.

Passenger confidence in their security on the railway has remained stable compared to last year. The Autumn 2019 National Rail Passenger Survey (NRPS), conducted by Transport Focus, found that 73% of passengers were satisfied with their personal security whilst using the station and that 74% were satisfied with their personal security on board. For both categories there was no change compared to the findings of the Autumn 2018 NRPS.⁶

¹ 2018/19: 20.7 crimes per million passenger journeys

² Office for National Statistics (2020) Crime in England and Wales: Police Force Area data tables. Available from <https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/datasets/policeforceareadatatables> [Accessed 23 April 2020]

³ 5% increase in crimes ('Groups 1-5') and 8% increase in offences ('Groups 6 and 7'). These figures are not comparable with the BTP crime statistics for England and Wales.

⁴ Police Scotland (2020) Q4 Force Report. Available from https://www.scotland.police.uk/assets/pdf/138327/232757/554719/force-quarterly-bulletin-q4-2019_20 [Accessed 29 June 2020]

⁵ 15,821 offences were solved in 2018/19

⁶ Transport Focus (2020) National Rail Passenger Survey Main Report Autumn 2019. Available from <https://www.transportfocus.org.uk/research-publications/publications/national-rail-passenger-survey-nrps-autumn-2019-main-report/> [Accessed 27 April 2020]

2 Reducing Delays and Disruption

The success of the railways depends on services that run safely and on time. BTP has excellent relationships with its partners and continues to find new ways to work together to reduce disruption to passenger and freight services.

There was a 1% increase in police related disruption incidents and a 0% rise in the number of police-related delay minutes on the railway in 2019/20 compared to last year. As a result, there was a slight reduction in the amount of average delay per disruption incident, down from 76 minutes in 2018/19 to 75 minutes in 2019/20.⁶

Trespass continues to be a key priority; it was a national priority in the 2019/20 Policing Plan and BTP has continued to undertake a range of initiatives with the aim of reducing trespass and wider disruption, including joint problem solving plans with the rail industry at the top hotspot locations, alongside public safety campaigns to reduce trespass. This year saw a 5% increase in lost minutes caused by trespass compared to 2018/19.⁷

BTP continues to act in a prompt, but professional and sensitive manner when responding to fatal incidents on the railway. BTP arrives promptly, in an average of

19 minutes (2018/19: 18 minutes), and in 2019/20 the average management time for non-suspicious incidents was 91 minutes (2018/19: 84 minutes). Where there are four track stretches of railway, and it was possible to do a partial handback to the rail industry, there was an average partial reopening time of 51 minutes (2018/19: 44 minutes). The increase in management time is reflective of many incidents being after dark this year, particularly in winter, which presents added complexities to managing an incident.

3 Providing Value for Money

The Strategic Plan includes a commitment to the BTP2021 efficiency programme, which pledges to deliver £30m of savings during 2018-22.

In 2019/20 £6.8m in efficiencies were delivered against the £7.1m target (revised in year from £9m)⁸. These savings have been delivered through commercial and technology infrastructure improvements and rationalising organisational support and middle-office operational functions, including the areas of Justice, Intelligence, Strategic Centre and Public Protection.

The portfolio invested over £10m capital expenditure in 2019/20 to enable the delivery of cyclical and BTP2021 programmes.

In addition, the Finance service redesign has centralised functional budgets to allow greater insight into the cost base and facilitate decision making. The Force's Corporate Services redesign has embedded an intelligent client model and enhanced purchasing, contract and supplier management capabilities.

The Force's Fleet support model has been outsourced to strengthen operational continuity.

The Authority retains its commitment to improving efficiency and we have again committed to being able to limit overall charges by CPI in 2020/21.

⁶ In 2019/20 there were 24,209 police related disruption incidents, compared to 23,971 in 2018/19. There were 1,818,883 police-related disruption minutes in 2019/20; there were 678,775 primary and 1,140,108 reactionary delay minutes. In 2018/19 there were 1,818,845 police-related disruption minutes; there were 640,526 primary and 1,178,319 reactionary disruption minutes. Note slight differences in 2018/19 data compared to 2018/19 Annual Report - this is due to the source data being refreshed since publication and incidents re-categorised by the data provider.

⁷ In 2019/20 there were 843,600 Trespass disruption minutes; in 2018/19 there were 799,981. Note slight differences in 2018/19 data compared to 2018/19 Annual Report - this is due to the source data being refreshed since publication and incidents re-categorised by the data provider.

⁸ This is subject to Internal Audit validation in 2020/21.

4 Building A Skilled and Specialist Workforce

BTP values a diverse workforce. In July 2019, BTP launched a new Inclusion and Diversity Strategy for 2019-22, which includes a focus and commitment to understand our communities, support our employees and ensure a fair, easy to access and responsive police service.

The use of positive action in recruitment has increased the number of applicants from under-represented groups. Representation of BAME (Black, Asian and Minority Ethnic) police officers increased to 9.7%, (2018/19: 9.4%). Although BTP's female officer representation rate remains low when compared to other police forces, it has seen a slight increase from 20.9% to 21.2%. Initiatives planned in 2020/21, such as increased availability of part-time roles to encourage re-joiners, will aim to further improve these representation rates.

For overall BTP employees, the BAME representation rate dropped slightly to 13.7%, down from 13.9% in 2018/19.

BTP's 2019 gender pay gap report showed that the Force's gender pay gap between males and females has reduced for the second year in succession, with a mean gap of 8.6% and a median gap of 15.0%; this was an improvement from the pay gaps of 10.0% and 15.3% respectively in the 2018 reports.⁹

BTP had an employee turnover rate of 14.2% in 2019/20, this was an increase on the 2018/19 turnover rate of 11.5%. Consistent with the previous year, there continues to be competition from the private sector and other police forces seeking to attract officers.

The Force has undergone a significant police officer recruitment campaign in 2019/20; during the year BTP recruited 406 officers. The vacancy gap for officers has reduced from 5% in December 2019 to nil as at 31 March 2020.

BTP employees took an average of 9.6 sick days per person (including COVID-19 absences). Excluding COVID-19, overall sickness was on average 8.7 days per person, (2018/19: 8.5 days per person). The top reasons for absence were fairly consistent with the previous year: influenza, vomiting and stomach complaints (excluding COVID-19 related sickness). Stress was the fourth highest absence this year, up from fifth in 2018/19.

For quarters 1 to 3 (1 April to 31 December) in 2019/20, complaint allegations to BTP remained low, at 91 allegations recorded per 1,000 employees (2018/19: 127 per 1,000 employees).



⁹ BTP Gender Pay Gap Report 2019 . Available from https://www.btp.police.uk/pdf/Final%20Gender_Pay_Gap_Report_2020_1.pdf [Accessed 27 April 2020]; BTP (2019) Gender pay gap report 2018. Available from https://www.btp.police.uk/about_us/your_right_to_information/publications.aspx [Accessed 27 April 2020]



2019/20 Policing Plan

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

| Policing Plan: Our National Policing Priorities | Headline Commentary |
|--|---------------------|
|--|---------------------|

Strategic Objective: Protecting People

Protect the railway environment from the impact of terrorist attacks

We will continue to prevent and prepare for terrorist attacks and to implement an agile response to incidents when they occur, to ensure the railway infrastructure is protected from attacks.

The ongoing threat of terrorism on the railways is ever present. BTP continues to respond to and mitigate against the impact of such incidents.

BTP opened the first of its two new Regional Counter Terrorism (CT) Hubs in Birmingham in May 2018, which has supported closer working between the Midlands and London and the South East, including joint tasking and combined patrols. BTP subsequently established a temporary location for the Manchester CT Hub and commenced deployments across the region from there in March 2019, responding to incidents and providing additional reassurance to passengers and rail staff.

All internal project work has been completed to enable construction of the permanent Regional CT Hub at Manchester. Recruitment has substantively been completed for the majority of specialist functions for both Hubs; recruitment of Authorised Firearms Officers continues and BTP continues to progress all opportunities to complete this as quickly as possible.

BTP delivered 113 out of the 120 ACT (Action Counters Terrorism) Awareness industry engagement sessions it committed to deliver in 2019/20. Formerly Project Griffin, these have been attended by 1,725 people, including retail managers, station managers and supervisors. The remaining ACT sessions for March were cancelled due to COVID 19.

There were also nine ACT Operational Engagement sessions, which is one more than the eight BTP planned to deliver, attended by 181 people. These sessions focus more on enhancing staff members' confidence in responding to an incident or any suspicious activity seen. BTP has this year conducted over 9,600 Specialist Patrols in London, over 6,500 patrols outside of London and has conducted counter terrorism mobilisation exercises.

| Policing Plan: Our National Policing Priorities | Headline Commentary |
|---|--|
| <p>Reduce violent crime on the railway</p> <p>Our violence reduction strategy, Operation Sentinel, will focus on reducing violent offences against rail staff, the travelling public and BTP officers and staff. We will in particular focus on reducing knife-enabled crime (robbery and violent assaults) through a relentless focus on key locations, journeys and trends.</p> | <p>Our 2019/20 Policing Plan set out to achieve a 10% reduction in serious violence and knife-enabled offences. In 2019/20, BTP recorded 2% fewer violence with injury offences than the previous year, with 3,093 offences recorded (2018/19: 3,127 offences). Out of these offences, a small proportion involved knives (62 incidents, accounting for only 2% of violence with injury offences). The solve rate for violence with injury offences was 24%.</p> <p>BTP is part of the Workplace Violence Strategic Working Group, which is a multi-agency group that meets to develop strategies, response plans and to explore opportunities through better use of technology, training and data sharing. Good progress has been made in this area and violence against rail staff decreased by 2% to 325 incidents in 2019/20 (2018/19: 332).</p> <p>Robbery offences, however, saw a 45% increase compared to the previous year (from 717 in 2018/19 to 1,043 offences in 2019/20), with a solve rate for robbery of 16%. A number of operational initiatives have been undertaken to tackle this. For example, two robbery weeks of action have been held, resulting in the arrest of 27 offenders. In March 2020, Operation Artax was launched to tackle robberies and violent crime on the rail network in London. Several wanted offenders have been arrested from these targeted patrols and work from the Force's Criminal Investigation Department (CID) teams.</p> |
| <p>Reduce volume crime - particularly in hotspot locations - through a joint problem-solving approach</p> <p>We will work with our partners to effectively solve long-standing problems at known high impact locations. Whilst we will focus on those crime types that present the most risk and harm, we must also tackle volume and organised crime and anti-social behaviour that can affect the confidence of those who work or travel on the railway.</p> | <p>BTP reduced volume crime in 19 of the 28 agreed volume crime hotspot locations. Two locations had the same number of crimes recorded as the previous year and crime increased in seven.</p> <p>The only Subdivision to record a substantial increase in volume crime was Central Subdivision where Theft of Passenger Property offences increased from 1,620 in 2018/19 to 2,691 in 2019/20. Analysis has shown that this increase is correlated to the provision of an online crime reporting portal in April 2019. Work has been carried out subsequently to ensure that reporting through this portal is more closely linked to national crime recording standards for theft and that it is not used to report instances of lost property. BTP also launched Operation Farrier in August 2019 to tackle theft offences. This operation involved three weeks of action over a three month period, which involved partner agencies and used a range of policing tactics. These tactics successfully reduced offending rates from the June 2019 peak and lessons learnt from this activity have informed the long-term response to criminality in this area.</p> |

| Policing Plan: Our National Policing Priorities | Headline Commentary |
|--|--|
| Strategic Priority: Reducing Delays and Disruption | |
| <p>Reduce disruption and delay on the network</p> <p>We will continue to work with key stakeholders within industry to deliver our National Disruption Strategy. We will use our enforcement powers and prevention tactics at critical locations and work with our partners to identify long-lasting solutions at problematic or persistent hotspot locations. We will protect those who are vulnerable or in crisis on the network and respond quickly to incidents, returning possession to the railway as soon as it is practically safe to do so.</p> | <p>In 2019/20, BTP has implemented joint problem-solving plans with the rail industry to mitigate trespass at the top 10 hotspot locations across the country.</p> <p>These locations have remained dynamic throughout the year, and a total of 24 locations have appeared in the list during 2019/20. Targeted activity has led to a reduction in trespass at most priority locations.</p> <p>A range of problem solving activity has been undertaken at these locations, including school/college visits to educate pupils about the dangers of trespassing on the railway, anti-climb paint being installed, the installation of multi-language anti-trespass signs at platform ends and warning signs to highlight the presence of CCTV. Joint problem solving plans are reviewed each month at a Disruption Steering Group involving BTP, Network Rail, and other rail industry partners. At these meetings performance, activity and recommendations are reviewed to improve safety. At the end of 2019/20, there had been a 3% increase in trespass related incidents, and a 5% in lost minutes, across the country. As the fluctuation in the 'top 10' shows, new locations are being found by trespassers but the joined-up approach with partner agencies allows these emerging hotspots to be addressed as they emerge.</p> |
| Strategic Priority: Providing Value for Money Strategic Priority: Building a Skilled and Specialist Workforce | |
| <p>Lead our people through change and deliver efficiencies through the BTP2021 Programme</p> <p>We will continue to drive efficiencies and improvement benefits through our ambitious BTP2021 Change Programme, which will enhance our ability to meet the changing demand for policing on the railways. We will deliver our cashable and non-cashable efficiency savings and demonstrate that we are using our budget as efficiently as possible in order to demonstrate value for our stakeholders.</p> | <p>The BTP delivered £6.8 million of efficiencies in 2019/20 (2018/19: £4.2 million). This is subject to Internal Audit validation in 2020/21.</p> <p>Digital Policing</p> <p>BTP implemented a new and improved network to 145 BTP offices, alongside cloud storage and remote working solutions.</p> <p>Operational Support</p> <p>Centralised structures delivered in 2018/19 across Criminal Justice and Intelligence continued to develop and deliver an improved service to BTP and its stakeholders, whilst contributing a further £3m in cashable efficiencies in 2019/20.</p> <p>Organisational Support</p> <p>Building on redesign of back office functions in 2018/19, this year BTP delivered a new operating model for the Finance, People and Commercial functions.</p> |

Financial Performance

The net deficit for the financial year was £79.7 million (2018/2019: £73.3m), £73.99 million (2018/2019: £71.36m) of which relates to an IAS19: Employee Benefits pensions (“IAS 19”) accounting adjustment. The result excluding the IAS19 adjustment is therefore a £5.7 million deficit (2018/2019: £1.9m deficit).

Financial Analysis

| | Year ending 31 March 2017 £'000 | Year ending 31 March 2018 £'000 | Year ending 31 March 2019 £'000 | Year ending 31 March 2020 £'000 | Budget 2020/21 £'000 |
|--|--|--|--|--|----------------------------|
| Income | 290,679 | 293,558 | 303,189 | 305,262 | 322,172 |
| Expenditure | (342,568) | (368,728) | (376,450) | (384,978) | (378,765) |
| Net Deficit | | | | | |
| Including IAS19 pension costs | (51,889) | (75,170) | (73,261) | (79,716) | (56,593) |
| Adjusted net surplus/ (deficit) | (2,609) | (4,500) | (1,904) | (5,726) | (2,641) ¹ |
| Removing IAS19 costs | | | | | |
| Non Current Assets | 54,688 | 51,964 | 49,419 | 68,043 | N/A |
| Total Assets | 98,150 | 108,999 | 108,790 | 126,661 | N/A |
| Current Liabilities | (34,841) | (49,325) | (49,495) | (55,011) | N/A |
| Non Current Liabilities | (776,724) | (720,663) | (782,352) | (596,237) | N/A |
| Taxpayers Equity | (713,415) | (660,989) | (723,057) | (524,587) | N/A |

¹ Excludes IFRS16 accounting adjustments (estimated at £0.02 million)



Five year Financial Performance

The table shows financial outturn figures for the year ending 31 March 2017 to the year ending 31 March 2020 and the budget for 2020/21.

A new Medium-Term Financial Plan covering 2020/21 through to 2024/25 was agreed by the Authority during 2019/20. The plan has been agreed on the assumption that no drawdown of reserves will be required for 2020/21.

The table indicates that the key volatile element of income and expenditure is the IAS19 pension costs. An adjusted deficit figure removing the IAS19 cost has therefore been provided to allow comparability over the four years and a clearer underlying financial position. The IAS19 adjustment is the sum of net interest on the

net defined benefit liability and service cost; reduced by employer contributions.

The net pension liability is also the key volatile element of assets and liabilities. After adopting IAS19: Employee Benefits, the opening financial position as at 1 April 2019 shows net pension liabilities of £781.6 million. The net liability of the scheme on 31 March 2020 was £579.3 million, a decrease of £202.3 million in the year. Lower inflation rate assumptions have decreased the benefit obligation in the current financial year. The Department for Transport (DfT), as the Authority's sponsoring department, underwrites any pension shortfalls.

Current Year Performance

Following the adoption of IFRS 16, leases that were previously recognised as operating leases have now been recognised as right-of-use assets, with an associated liability held. An opening asset value of £23.5 million has been recognised in the current financial year statement of financial position with an addition of £0.5 million during the year (total £24.0 million). A corresponding lease liability of £23.5 million and reserve balance of £0.5 million have also been recognised. Following the adoption of this new accounting standard, right-of-use assets are depreciated over the remaining life of the lease and liabilities released in line with rental payments, alongside interest charged.

The net deficit for the financial year was £79.7 million (2018/2019: £73.3 million), £73.99 million (2018/2019: £71.36 million) of which relates to an IAS19: Employee Benefits pensions ("IAS 19") accounting adjustment. The result excluding the IAS19 adjustment is therefore £5.7 million deficit (2018/2019: £1.9 million deficit).

Income recognised in the year has increased by £2.1 million, from £303.2 million in 2018/19 to £305.3 million in 2019/20. This increase is in part a result of charging an RPI increase to industry on PSA charges but also a result of an increase in non-PSA income received from other agreements.

There has been an increase of £5.6 million in staff costs, from £288.3 million in 2018/19 to £293.9 million in 2019/20. £2.2 million of this increase is attributable to the IAS19 adjustment to pension costs. A 2.5% pay award for employees and spine point progression, as well as increased overtime and rest-day working paid has also contributed to the increase. Temporary staff costs have increased in the year by £0.4 million.

Other expenditure has decreased by £1.1 million, from £56.3 million in 2018/19 to £55.2 million in 2019/20. This has been as a result of falling staff-related and operating lease costs offset by an increase in legal and professional fees.

In the statement of financial position, the carrying value of non-current assets has increased by £18.6 million from £49.4 million in 2018/19 to £68.0 million in 2019/20. The increase has been caused by the recognition of right-of-use assets following the commencement of accounting under IFRS16.

Total current assets have fallen by £0.8 million, from £59.4 million in 2018/19 to £58.6 million in 2019/20. The value of inventories has fallen by £0.8 million in the current year as a result of a stock provision being made against aged/unusable stock. This stock will be physically disposed of in the following financial year.

Total current liabilities have increased by £5.5 million, from £49.5 million in 2018/19 to £55.0 million in 2019/20. A new current liability of £3.6 million has been recognised in the current year for the right-of-use assets liability. There is also an increased level of refund due to be returned to London Underground. This refund is due to ensure income recognised for 2019/20 reflects expenditure allocated to underground activity. Against these increases there has been a fall in the balance of trade payables and of the accrual for goods received not invoiced.

Provisions have reduced by £1.0 million, from £8.2 million in 2018/19 to £7.3 million in 2019/20. Employee-related provisions have reduced or have been utilised in the current year upon completion of several projects within the BTP2021 programme.

The non-current element of the right-of-use lease liability has been recognised in other payables at £16.8 million.



Income recognised in the year has increased by £2.1 million, from £303.2 million in 2018/19 to £305.3 million in 2019/20.

Improving Efficiency

BTPA is committed to improving efficiency. The Strategic Plan sets out a commitment to achieving £30m in lasting cashable efficiencies over the four years from 2018/19-2021/22. During 2019/20, the efficiency profile was updated to reflect operational requirements and external changes in the operating environment which would prevent the £30m target being met. As such, a refreshed Medium-Term Financial Plan agreed in December 2019 confirmed a new cashable savings target to April 2022 totalling £18.7m.

BTP established the BTP2021 transformation portfolio as the delivery vehicle for the efficiency programme, with the themes of modernising and enhancing front line policing, counter-terrorism (CT) capability, specialist police functions, corporate support services and digital infrastructure and estates.

BTP delivered £6.8 million of efficiencies in 2019/20 (2018/19: £4.2 million). This is subject to Internal Audit validation in 2020/21. These savings have been delivered through commercial and technology infrastructure improvements and rationalising organisational support and middle-office operational functions. Police Staff numbers have reduced by around 200 since the beginning of the programme. BTP undertook to deliver these changes in consultation with impacted teams and individuals to produce jointly designed solutions. An approach was adopted where rationalised structures have been delivered.

This has not only assisted in taking staff through difficult change journeys, but has substantively changed and improved final business design proposals.

In addition to the cashable savings, wider benefits have been identified through more effective ways of working, utilising mobile and digital technology to reduce process waste and improved services to our staff, the public and industry partners. This includes: shared approaches to problem solving that reduce disruption to the rail network; increased levels of engagement locally between stakeholders; a professionalised and more flexible crime and safeguarding command able to respond more effectively to national demand and deliver better outcomes for victims; a modern, visible and effective response to CT threats; and a nationally coordinated approach, utilising innovative policing techniques, to tackle the threat posed by County Lines gangs.

Key areas of progress this year include:

Digital Policing

BTP implemented a new and improved network to 145 BTP offices, alongside cloud storage and remote working solutions. This provides a more stable technology infrastructure for the ambitious digital plans, resulting in the continued rollout of mobile devices to the frontline, the development of core policing applications and the rollout of a new Digital Evidence Management System. The combined technology savings in 2019/20 were £1.2m. Further benefits are expected in the next two years with applications for digital crime recording also expected to reduce reliance on back-office functions.

Operational Support

Centralised structures delivered in 2018/19 across Criminal Justice and Intelligence continued to develop and deliver an improved service to BTP and its stakeholders, whilst contributing a further £3m in cashable efficiencies in 2019/20. This year also saw the creation of a single, borderless, Crime Command, which will generate further savings in future years while improving the professional development of detectives and increasing capacity for investigating serious crime.

Organisational Support

Building on the redesign of back office functions in 2018/19, this year BTP delivered a new operating model for the Finance, People and Commercial functions. This will see a set of streamlined services providing recurring cashable efficiencies and more professional support to BTP, including the rollout of automated and self-service tools for booking leave, logging sickness and claiming expenses. The expected benefits of this centralised capability will contribute to savings in the coming years.

A final £7.6 million of savings is required over the years 2020/21 to 2021/22. As such, other key elements of delivery for the BTP2021 programme remain, including: modernising the processes for the Control

Room and Contact Centre, including use of the Single Online Home for Policing; examining opportunities to transform learning and development; exploring opportunities for using Enterprise Resource Planning tools; and establishing a clear plan to ensure the buildings estate is fit for purpose both now and in the future whilst finalising strategic plans for London and Birmingham offices.

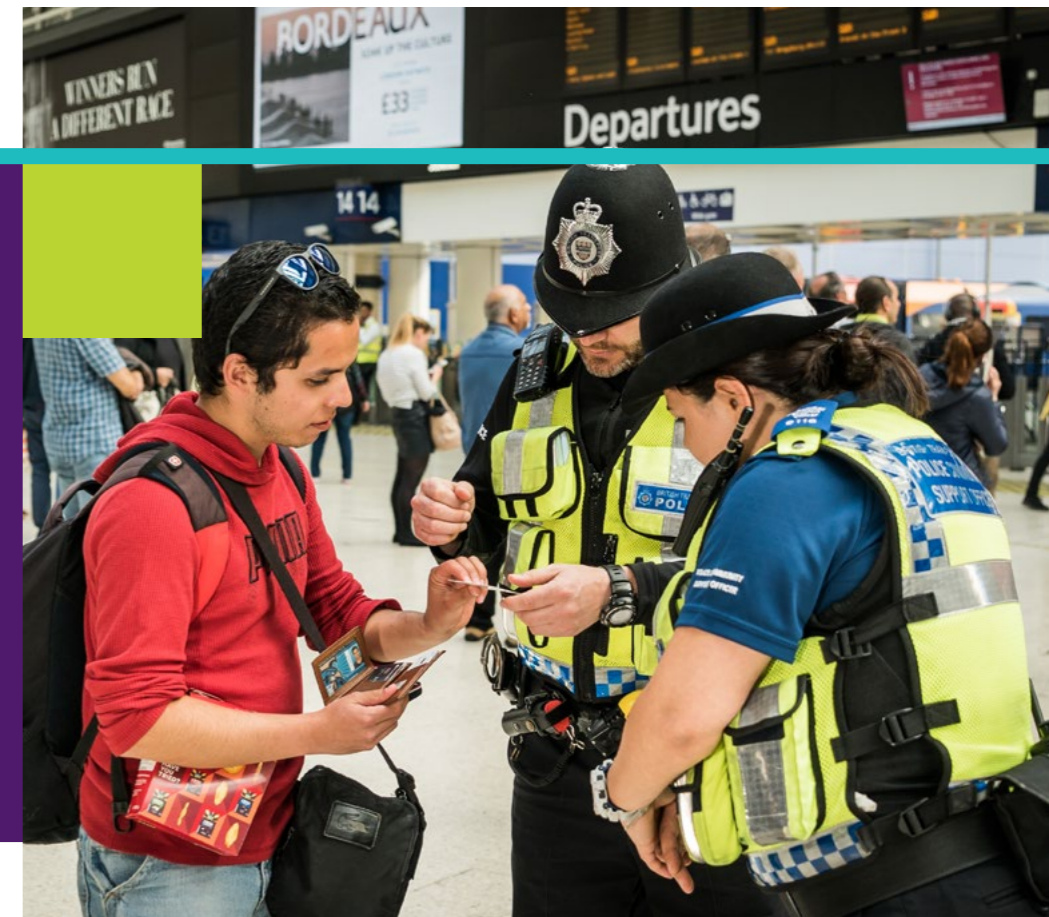
To achieve the above, a review of the BTP2021 portfolio was undertaken in the final quarter of 2019/20, to ensure the best structures of delivery are in place and intended delivery remains consistent with strategic and operational priorities. Several recommendations were made, including the creation of three new programmes covering:

- People - a new programme as the visible delivery vehicle for the BTP People Strategy.
- Smarter Working - a new programme that brings technology and estate improvements together and actively facilitates innovation on the frontline.
- Information Exploitation - a transparent, proportionate and structured way of testing new ways of exploiting the information and data that BTP and partners have access to.

While the response to the COVID-19 critical incident remains underway, there are foreseen delays expected in the delivery of the efficiency programme. A full review of the impact of COVID-19 will be conducted and a subsequent review of the change portfolio.



The expected benefits of this centralised capability will contribute to savings in the coming years





Sustainability Report

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

BTPA continued towards the Greening Government target in 2019/20. The overall trend continues as a reduction against the 2009/10 Baseline, with the only recorded increase related to paper consumption.

Progress against GGC operational targets

| Greening Government Commitments | Baseline 2009/10 | Operational target to 2020/21 | Operational Performance | | Progress against target | Gross Expenditure |
|--|------------------|-------------------------------|-------------------------|--------------------|-------------------------|-----------------------------|
| | | | 2018/19 | 2019/20 | | |
| <Greenhouse Gas Emissions (tonnes/CO2) (Scope 1-3) | 8,647t | -32% | 7,363t | 5,731t | 34% | £3,114,165 |
| Waste to landfill as a % of total waste | N/A | <10% | 10.3% | n/a | n/a | £55,009 |
| Water (m ³ /FTE) | 20m ³ | <4-6m ³ | 5.47m ³ | 3.24m ³ | 116% | £95,443 |
| Paper (reams A4 equivalent) | 25,562 | -50% | 15,104 | 19,778 | -23% | N/A |
| Domestic Flights (Number of flights) ³ | 416 | -30% | 337 | 226 | 46% | Included in GHG expenditure |

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

Greenhouse Gas Emissions

BTP continues to reduce the Greenhouse Gas emissions within the estate. In part this has been due to a shift towards agile working away from office-based working. There have been no significant site closures in 2019/20 nor 2018/19.

Waste

Following implementation of the Total Facilities Management (TFM) contract, collection of waste for landfill, recycling and shredding has been centralised through one single provider that supports BTP nationally. Data for the Waste to Landfill metric is not currently available for reporting from the TFM supplier. There is an ongoing project to provide granularity within the reporting, but it has not yet matured; consequently, the data is classified as Amber rather than Green.

As part of a strategy to reduce landfill waste, BTP is engaged with a DfT scheme to reduce single-use plastics.

Water

Water consumption has passed its target and is below 4m³. There have been no specific campaigns to reduce consumption, but wherever possible water efficient equipment is chosen for building works.

Paper

Data for the last 12 months has shown an increase in paper consumption against 2018/19, but the overall trend is still a downward trajectory compared to the baseline quantity. BTP is progressing with a number of digital innovations, reducing paper-based processes which are expected to greatly reduce consumption.

Domestic Flights

With a decrease of Domestic Flights by 33% against 2018/19 levels, BTP has managed to achieve a reduction of 46% against the baseline target; this follows the conclusion of work relating to the Scottish Railways Policing Committee. Following an upgrade of BTP’s network, and implementation of networking tools, there is expected to be greater reduction of flights once a more widely available form of Video Conferencing becomes accessible.

Transparency

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.

Biodiversity

The majority of BTP sites are based within railway stations and office buildings, consequently there is little natural habitat available to encourage biodiversity. As an organisation, BTP is able to access Wildlife Crime Officers and staff who are specially trained and have access to resources and expertise from partner organisations. They are trained to respond to incidents such as destruction of habitats or species.

Procurement of food and catering services

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

Sustainable construction

In 2019/20, BTP began to direct building projects through the TFM contract; consequently all project tenders require applicants to comply with Government Buying Standards (GBS) for sourcing materials and management of supply chain impacts. Waste is also carefully managed during any construction or refurbishment work, with assets reused where possible.



H Ind

Accounting Officer
Date 17 July 2020



With a decrease of Domestic Flights by 33% against 2018/19 levels, BTP has managed to achieve a reduction of 46% against the baseline target





Accountability Report

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Directors' Report

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

Corporate Governance Report

Directors Report

Authority Members:

Key to committee membership

- | | | |
|------------------------------|-----------------------------|----------------------------|
| Police Authority | Appointments & Remuneration | Audit & Risk |
| Performance & Delivery | Policing Plan Working Group | Pensions Working Group |
| Transformation Working Group | Strategy & Planning | Scottish Railways Policing |



RON BARCLAY-SMITH

Chair

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

BTPA responsibilities:

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

Appointments outside BTPA:

- Criminal Injuries Compensation Authority of the Ministry of Justice: Non-Executive Director; Member of the Audit and Risk Committee
- Royal Institute of Chartered Surveyors: Member of the Regulatory Tribunal
- Pitheadie Castle Ltd: Director and Co-Owner of the Conduct and Appeals Committee



MARK PHILLIPS

Deputy Chair

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

BTPA responsibilities:

- Police Authority: Deputy Chair
- Appointments and Remuneration Committee
- Audit and Risk Assurance Committee: Chair
- Transformation Working Group

Appointments outside BTPA:

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



STELLA THOMAS

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

BTPA responsibilities:

- Police Authority
- Policing Plan Working Group
- Performance and Delivery Committee
- Strategy and Planning: Deputy Chair

Appointments outside BTPA:

- Cardiff Wales Guided Tours: Partner



BEVERLEY SHEARS

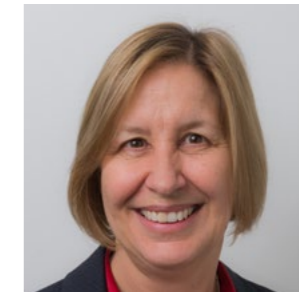
Appointed 26 January 2017 with a three month extension granted. Reappointed 3 April 2020 with a term of four years and a notice period of three months.

BTPA responsibilities:

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

Appointments outside BTPA:

- North West Anglia NHS Trust: Non-Executive Director
- Blue Amaranth Consulting Ltd: Owner



DYAN CROWTHER

Appointed 6 May 2015 with a term of four years and a notice period of three months. Term ended 5 July 2019.

BTPA responsibilities:

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

Appointments outside BTPA:

- HS1 Limited: Chief Executive
- East Coast Partnerships: Director
- East West Railway: Director
- Women in Rail: Trustee



ANDREW POLLINS

Reappointed 1 September 2017 with a term of four years and a notice period of three months

BTPA responsibilities:

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

Appointments outside BTPA:

- Engie UK: Chief Financial Officer
- Transport for London: Transformation Director



WILLIAM MATTHEWS

Reappointed 31 October 2019 with a term of three years and a notice period of three months.

BTPA responsibilities:

- Police Authority
- Scottish Railways Policing Committee: Chair (from 1 July 2019)
- Pensions Working Group: Chair (from 26 February 2020)
- Strategy and Planning Committee

Appointments outside BTPA:

- Criminal Injuries Compensation Authority Glasgow: Non-Executive Director
- Scottish Criminal Cases Review Commission: Chair
- Scottish Futures Trust: Non- Executive Director
- Independent Office of Police Conduct: Non-Executive Board Member
- Association of Chartered Certified Accountants (ACCA): Member of the Regulatory Board
- Self-employed advisory services for: BBC, Nursery and Midwifery Council, National Records of Scotland



SHRINIVAS HONAP

Appointed 26 January 2017 with a term of three years and a notice period of three months. One month extension granted. Term ended 25 February 2020.

BTPA responsibilities:

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

Appointments outside BTPA:

- Office of Public Guardian Birmingham: Non-Executive Director, Chair of Audit Committee
- Office of Legal Complaints Birmingham: Non-Executive Director, Chair of Audit Committee
- Competition and Markets Authority: Panel Member
- Registers of Scotland: Non-Executive Director
- Speakers Committee on Independent Parliamentary Standards Authority: Lay Member
- UK Atomic Energy Authority: Non-Executive Director, Chair of Audit Committee
- Sai Aum Accounting Limited: Director
- Driver and Vehicle Standards Agency: Non-Executive Director, Chair of the Directing Board



DOMINIC BOOTH

Reappointed 1 September 2017 with a term of four years and a notice period of three months.

BTPA responsibilities:

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

Appointments outside BTPA:

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



JEREMY MAYHEW

Appointed 26 January 2017 with a term of three years and a notice period of three months. Term ended 25 January 2020.

BTPA responsibilities:

- Police Authority
- Appointments and Remuneration Committee
- Performance and Delivery Committee
- Audit and Risk Assurance Committee

Appointments outside BTPA:

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



MARTIN RICHARDS

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

BTPA responsibilities:

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

Appointments outside BTPA:

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



ANDREW COOPER

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

BTPA responsibilities:

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

Appointments outside BTPA:

- Permanent Way Institution Ltd: Non-Executive Director
- Grand Central Railway Limited (until 31 May 2019)
- XC Trains Limited (until 31 May 2019)



WILLIE GALLAGHER

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

BTPA responsibilities:

- Police Authority
- Policing Plan Working Group
- Strategy and Planning Committee
- Scottish Railways Policing Committee

Appointments outside BTPA:

- TSL Scotland Limited: Director



GRAHAM EVANS

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

BTPA responsibilities:

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

Appointments outside BTPA:

- Airbus Limited: Senior Counsel
- UK Hospitality Industries: Senior Counsel
- Parkdean-Resorts Ltd: Senior Counsel
- Active Cheshire Limited: Trustee/Board Member
- GTE Consultants Limited: Director



KENNA KINTREA

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

BTPA responsibilities:

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

Appointments outside BTPA:

- Akoroa Ltd: Director



SIR CRAIG MACKEY

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

BTPA responsibilities:

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

Appointments outside BTPA:

- Civil Nuclear Police Authority: Member
- CTM Strategy and Consulting Limited: Director

Authority Officers

Chief Executive Officer

Hugh Ind (appointed 3 June 2019)

Interim Chief Executive Officer

Ian Pigden-Bennett (left 28 June 2019)

Chief Financial Officer and Treasurer

Sarah McGarel

BTP Chief Officer Group

Chief Constable

Paul Crowther CBE

Deputy Chief Constable

Adrian Hanstock

Assistant Chief Constable

(Public Contact and Specialist Crime)
Charlie Doyle

Assistant Chief Constable

(Territorial Policing) Robin Smith
(left 5 January 2020)

Assistant Chief Constable

(Specialist Operations) Sean O'Callaghan

Director of Strategy and Change

Simon Downey OBE

Director of Finance and Commercial

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 2.20 for BTPA’s accounting policy for pensions.

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

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

Fraud, bribery and whistleblowing

BTPA follows the Cabinet Office guidelines and takes a ‘zero tolerance’ approach in the event of any fraud or bribery. Any suspected cases of fraud or corruption are investigated vigorously in accordance with our Anti-Fraud and Corruption Policy. The policy is available to read on the BTPA website. BTP/A have a well-publicised whistle-blowing policy. There is an anonymous mechanism where employees can report any suspicions or concerns.

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 £103,500 (2018/19: £101,500). The C&AG did not undertake any non-audit work for BTPA (2018/19: £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

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. On 31 January 2020, the Withdrawal Agreement between the UK and the EU became legally binding and the UK left the EU. The future relationship between the EU and the UK will be determined by negotiations taking place during a transition period ending 31 December 2020.

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

In November 2019 a novel strain of coronavirus was detected and spread rapidly, leading the World Health Organisation to declare a pandemic on 11 March 2020.

The pandemic caused significant economic disruption just before the financial year end.

The ongoing disruption caused by the pandemic has created significant economic uncertainty, and this uncertainty is expected to continue throughout 2020.

Events occurring after the reporting date

There are no events to report.

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



H Ind
Accounting Officer
Date 17 July 2020



BTPA follows the Cabinet Office guidelines and takes a ‘zero tolerance’ approach in the event of any fraud or bribery.





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 Account Direction issued by the Secretary of State including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on an on-going concern basis.

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

The Chief Constable has statutory responsibility for the direction and control of the Force and is required to have regard to the plans and strategies published by the Authority.

The Authority's Code of Corporate Governance sets out the relationship between the Chief Constable's statutory and common law responsibilities, independence in matters of policing and the Chief Constable's responsibilities as Additional Accounting Officer. These include the management and expenditure of BTP, and joint responsibility for the preparation of these accounts. This appointment reflects the autonomy 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.

I confirm that to the best of my knowledge there is no relevant audit information of which the auditors are unaware, and that I have taken all appropriate steps to make myself aware of any pertinent audit information that would be relevant to the auditors of these accounts. I confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take responsibility for the annual report and accounts and the judgements requested for deeming that it is fair, balanced and understandable.



Governance Statement

Accounting Officer's introduction to corporate governance

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

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

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

Whilst the control environment, improving processes and ways of working have been significant areas

of focus this year, there is still progress to be made. Indeed, a continued focus by management to drive future improvements has highlighted a number of areas requiring attention, particularly those impacted by transformation activities which are supporting more efficient and effective processes but where the control environment can struggle to keep up with the pace of change. Through management oversight, internal audit and other independent reviews, I recognise that there is a need for a renewed focus on how management are ensuring compliance with policies, procedures and best practice. One key area will be to focus on embedding and maturing risk management, which will assist improvements in the control environment.

BTPA has introduced the Scottish Railways Policing Committee which has had a positive impact on oversight and managing relationships with partners in Scotland. The introduction of the Transformation Working Group has facilitated oversight and expertise between BTP and BTPA of BTP2021. BTPA continues to monitor the effectiveness of its boards, as discussed in 'Other Assurance Activities' below, to ensure members and the Executive receive

the assurance and information required in their role of overseeing the work of the BTP.

In 2019/20, optimising the ways of working between BTP and BTPA has received dedicated attention from senior leadership but this must remain in place going forward. There remains an opportunity for closer collaboration, a better understanding of respective priorities and maximising the sharing of expertise. The last quarter of 2019/20 has shown the unprecedented challenges that can arise and the need for close working between BTP and the Authority.

Governance Structures

Governance Structure at 31 March 2020

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
- Regulate the governance, administration and conditions of those employed by BTP
- Set a strategy, objectives and budget for the policing of the railway

Sub-Committees

Appointments and Remuneration

- Approve the recruitment of senior officers of the BTP and 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

Pensions

- Provide oversight of the police officer and police staff pension schemes.
- Endorse recommendations on pensions to the Appointments and Remuneration Committee

Performance and Delivery

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

Policing Plan

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

Strategy and Planning

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

Transformation

- Provide oversight and challenge to allow the Authority to undertake its assurance role of the Transformation programme
- Support the delivery of the Transformation programme

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 six times a year (2018/19: four 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, including of England, Scotland and Wales. Members are not intended to be representatives of those interests but all work together and act as a single corporate body.

Details of current Members are included in the Directors' report; referencing also the sub-Committees on which they serve. Meeting attendance details are included later in this section.

Sub-Committees

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

Sub-Committees

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (ARAC) was chaired by Mark Phillips. It currently has five members, met four times in 2019/20 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;

- Her Majesty's Inspectorate of Constabulary (HMIC) inspection programme;
- The submission of a Management Assurance Return to the DfT;
- Overseeing the implementation of actions resulting from audits, external reviews and submissions to the Department for Transport.
- Monitoring and assessing compliance with and performance against statutory duties.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee is chaired by Ron Barclay-Smith. It has five members, met four times in 2019/20 and considers a range of workforce issues, including:

- The appointment of the BTPA Chief Executive Officer;
- Approving staff and officer pay awards and pensions recommendations; and
- Reviewing the performance of the Chief Constable and Chief Officer Group, BTPA's Chief Executive and BTPA's Chief Financial Officer.

Performance and Delivery Committee

The Performance and Delivery Committee is chaired by Dominic Booth. It has five members, met four times during 2019/20 and considers a range of standing and thematic matters as set out in its annual plan of work for 2019/20, including:

- Assessing financial reports, including performance against annual and medium term financial plans and ensuring the effective review by BTPA of financial performance;
- Assessing progress against strategy, delivery and spend on capital projects and major revenue schemes;

- Assessing and providing challenge on BTP operational and organisational performance and efficiency against criteria which are defined in the strategic plan;
- Overseeing the development and maintenance of BTP's capability and representation as set out in the people strategy through the monitoring of key HR data;
- Ensuring, as the legal employer of police staff and officers, compliance with relevant employment legislation.
- Approving the final policing charges to be defrayed across funders

Strategy and Planning Committee

The Strategy and Planning Committee is chaired by Andrew Pollins. It has six members, met four times during 2019/20 and was created to ensure an integrated approach to the development of the Strategy, Medium Term Financial Plan, Policing Plan and annual Budget, through:

- Producing a Strategy and Medium Term Financial Plan for consideration by BTPA;
- Outlining the desired culture and behaviours in alignment with the Strategy;
- Overseeing the development of subordinate strategies including those relating to people, equality and diversity;
- Preparing the Policing Plan in line with strategy and stakeholder requirements;
- Agreeing performance metrics with BTP;
- Advising on the preparation of the annual budget;
- Ensuring effective consultation with stakeholders in the preparation of the strategy, medium term financial plan, budget and Policing Plan;

- Approving business cases in line with delegation limits set out in the code of governance; and
- Reviewing annual provisional Policing Service Agreement charges.

Scottish Railways Policing Committee

The Scottish Railways Policing Committee is chaired by William Matthews. It has three members from BTPA and two co-opted members from the Scottish Police Authority (SPA). It met twice during 2019/20 (quarterly going forward) and was created to provide assurance to the BTPA, SPA and Scottish Government Ministers on the delivery of railway policing in Scotland through:

- Recommending to the BTPA the Scottish Railways Policing Plan, ensuring that there has been effective consultation with stakeholders;

- Providing oversight of developmental plans and policies, scrutinising policing performance against agreed plans and statutory requirements;
- Ensuring agreed improvements recommended by external inspections and reviews are implemented, and
- Providing assurance to the BTPA, SPA and Scottish Ministers on the delivery of railway policing in Scotland.

Policing Plan Working Group

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

Pensions Working Group

The Pensions Working Group, chaired by William Matthews, was originally set up to review and oversee the adoption of a new pension scheme for Police Officers. The working group is now in the process of finalising its review of the current Police Staff Scheme, and also provides the oversight for the actuarial valuations of both the Police Officer and Police Staff Pension Schemes.

Transformation Working Group

The Transformation Working Group, chaired by Craig Mackey, was set up to review and oversee the delivery of the BTP transformation programme, maximising the future benefits to BTP and all rail partners. Reporting into the Authority, there is member representation from the Performance and Delivery Committee and the Strategy and Planning Committee.



Committee Attendance

| Member name | Number of Authority meetings attended/number of Authority meetings available | Number of Appointment and Remuneration Committees attended/ number of Committee dates available | Number of Audit Committees attended/ number of Committee dates available | Number of Performance and Delivery Committees attended ¹ / number of Committee dates available |
|------------------------------|--|---|--|---|
| Ron Barclay-Smith | 6/6 | 4/4 | | |
| Dominic Booth | 5/6 | 1/1 | | 4/4 |
| Williams Matthews | 5/6 | | | |
| Andrew Pollins | 6/6 | | 4/4 | |
| Mark Phillips | 6/6 | 4/4 | 4/4 | |
| Stella Thomas | 5/6 | | | 4/4 |
| Dyan Crowther ¹ | 1/2 | | 0/1 | |
| William Gallagher | 3/6 | | | |
| Martin Richards | 5/6 | 2/3 | 1/1 | 4/4 |
| Beverley Shears | 4/6 | 3/4 | | |
| Shrinivas Honap ² | 5/5 | | 1/1 | 3/3 |
| Jeremy Mayhew ³ | 4/4 | 1/1 | 2/2 | 1/1 |
| Graham Evans | 6/6 | | 4/4 | |
| Andrew Cooper | 6/6 | 3/4 | | 2/3 |
| Kenna Kintrea | 6/6 | | 4/4 | |
| Sir Craig Mackey | 5/6 | | 2/4 | 1/3 |

¹ Dyan Crowther left 5 July 2019

² Shrinivas Honap left 25 February 2020

³ Jeremy Mayhew left 25 January 2020

Committee Attendance

| Member name | Number of Strategy and Planning Committees attended ⁵ / number of Committee dates available | Number of Scottish Railways Policing Committees attended ⁵ / number of Committee dates available | Number of Policing Plan Working Groups attended/ number of meeting dates available | Number of Pension Working Groups attended / number of meeting dates available | Number of Transformation Working Groups attended / number of meeting dates available |
|------------------------------|--|---|--|---|--|
| Ron Barclay-Smith | | | | | |
| Dominic Booth | | 2/2 | | | |
| Williams Matthews | 1/1 | 2/2 | | 7/8 | |
| Andrew Pollins | 4/4 | | | | |
| Mark Phillips | | | | | 7/8 |
| Stella Thomas | 2/3 | | 3/3 | | |
| Dyan Crowther ¹ | 1/1 | | | | |
| William Gallagher | 4/4 | 2/2 | 2/2 | | |
| Martin Richards | | | 2/3 | | |
| Beverley Shears | 4/4 | | | 4/7 | |
| Shrinivas Honap ² | | | | 7/7 | |
| Jeremy Mayhew ³ | 2/2 | | | | |
| Graham Evans | 4/4 | | | 5/6 | |
| Andrew Cooper | | | 3/3 | | 8/8 |
| Kenna Kintrea ⁴ | 4/4 | | | | 7/8 |
| Sir Craig Mackey | | | | | 8/8 |

¹ Dyan Crowther left 5 July 2019

² Shrinivas Honap left 25 February 2020

³ Jeremy Mayhew left 25 January 2020

⁴ Kenna Kintrea attended the private session of the Authority meeting only on 20 June 2020

Executive Team

BTPA has an Executive Team of 13, covering strategy, governance, compliance, finance, communications and engagement.

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 on all aspects of its activity, including the strategic planning and policy making process, as well as on budgetary matters.

BTPA's Chief Executive Officer is appointed the Accounting Officer by the Principal Accounting Officer at the Department for Transport.

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

Risk management

BTP/A have focused further efforts throughout 2019/20 to enhance and embed risk management across the organisation. There has been significant improvement in how top-down strategic risks are identified, presented and discussed at board level.

Currently risks are assessed against their potential impact and probability on a scale of one (low) to five (very high). These two scores are combined to give an inherent risk rating. The impact of mitigating actions is taken into account in providing a residual risk rating, with potential future mitigations working towards a target risk rating. The joint senior management teams review both strategic and operational risks. This process produces a risk universe that includes strategic risks (risks to the achievement of the strategy and policing plan) but also allows for review of other significant operational risks (programme, project or operational) that should be brought to the attention of the Audit and Risk Assurance Committee and full Authority.

This information is a standing agenda item at the Audit and Risk Assurance Committee and the BTP Audit, Risk, Inspection and Compliance Board on a quarterly basis. Whilst the work carried out in 2019/20 has been a positive development, BTPA acknowledges there is still more to do to fully embed operational risk management across the organisation and meet best practice outlined in the Government's revised Orange Book of Risk Management. In particular, there is a need for consistency in understanding and demonstrating active risk management throughout BTP/A, to embed this into the decision-making processes and to ensure there is a clear focus and understanding on the controls and mitigating actions in place to address the risks.

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



Principal Risks And Uncertainties

Key to Future Trend (medium – long term, over the next 1-5 years):

- Risk expected to remain stable: < >
- Risk expected to increase in 2020/21: ^
- Risk expected to decrease in 2020/21: v

| Risk | Future Trend |
|--|---|
| Failure to manage the impact of political change; follow relevant laws, regulations, business rules and ethical codes | < > |
| Mitigating Actions in place: <ul style="list-style-type: none"> • Regular review of compliance and critical areas of risk at the Audit, Risk, Inspection and Compliance Board, Force Executive Board and the Audit & Risk Assurance Committee • Regular BTP/A engagement and meetings with government liaison teams, industry and police stakeholders, to understand and influence changes to the rail industry. This includes potential changes to how rail companies are funded. • Preparation for provisions outlined in the new Policing Conduct Regulations 2020 affecting how BTP investigate complaints • The Scottish Railways Policing Committee allows greater collaboration with the Scottish Government and the Scottish Police Authority | This risk stabilised following the 2019 general election but there are emerging external developments in respect of the future structure and operation of the railways. |
| Failure to protect the health and safety of employees, operational partners and the public. | v |
| Mitigating Actions in place: <ul style="list-style-type: none"> • Health & Safety governance structure in place, including a committee structure which works at all levels across the organisation and allows issues to be escalated to senior management • Delivery of annual audit programme for health and safety • Wellbeing Survey conducted by University of Hull to assess BTP’s wellbeing provision, particularly for psychological trauma support • Government guidance for COVID-19 in being followed, including issuing of Personal Protective Equipment (PPE), understanding emergency legislation and facilitation remote working for staff where possible. BTP have put social distancing measures in place across the estate | There have been several assessments this year for Health and Safety which have made recommendations for improvement. This risk is expected to reduce next year as the planned improvements are introduced and the remaining resource gaps are filled. |

| Risk | Future Trend |
|---|--|
| Failure to protect and effectively manage data, critical assets and infrastructure | v |
| Mitigating Actions in place: <ul style="list-style-type: none"> • Implementation of new IT Infrastructure to ensure BTP/A have a stable and future-proofed network • Cyber Security Response Plan in place to ensure BTP/A are alert to, and equipped to deal with, the impact of a cyber threat • IT Health Check completed, with all critical issues identified resolved. Medium issues are being monitored until completion. • Identification of critical suppliers which is monitored through the Force Executive Board • New approach to Business Continuity implemented to focus on delivery of critical services rather than departments • A Condition Survey has been undertaken across the Estate. An Estates Strategy is in place to ensure BTP offices are located where there is greatest demand | Despite improvements to the IT infrastructure and a new approach to business continuity, there remain some challenges to stabilising the IT network. Further work has started to review the condition of the estate to ensure it is fit for purpose. |
| Loss of confidence in BTP/A by rail industry, Government, the public and the media | < > |
| Mitigating Actions in place: <ul style="list-style-type: none"> • An External Engagement Plan has been developed and stakeholder database designed to manage and coordinate stakeholder activity • Active stakeholder engagement and consultation on plans, priorities, targets and, where appropriate, charging arrangements. This continues to be critical throughout COVID-19 and managing the volumes of passenger numbers • Continue to conduct and act on passenger and stakeholder surveys • Early and regular communication to the industry of indicative and actual charges • Establishment of the Scottish Railways Policing Committee | There has been a focus to improve stakeholder relations this year and this will continue into next year. |
| Management of change; Failure to manage internal and external change | < > |
| Mitigating Actions in place: <ul style="list-style-type: none"> • Internal and external factors which mean the plan is no longer current are being addressed through re-baselining the transformation portfolio • Approved Efficiency Plan in place which is tracked through the Delivery and Efficiency Board • Transformation Working Group established to ensure joint BTP/A oversight of the portfolio of change • Benefits management framework embedded • Horizon scanning to identify potential threats and opportunities and their implications • Efficiencies are subject to an annual internal audit • Post-implementation reviews to learn lessons | BTP is two years into its Transformation Programme. There has been a change in the efficiency and delivery target and there is an agreed plan in place to manage this. Given the scale and complexity of the programme there remains a risk around delivery and affordability. |

| Risk | Future Trend |
|--|--|
| <p>Failure to manage the threats to the long-term sustainability of the BTP fund</p> <ul style="list-style-type: none"> • Monthly review of financial activity and controls at the Force Executive Board; Quarterly review of financial performance and controls at the Finance Assurance Board, Performance and Delivery Committee and the Audit and Risk Assurance Committee • Five-year Medium-Term Financial Plan (MTFP) agreed in December 2019 • Detailed counter-fraud action plan in place with compliance return submitted to ARAC and DfT every quarter • An updated Reserves Policy was approved by the Authority to provide the ability to respond to unplanned events and financial shocks • Early engagement with the DfT and auditors to implement new accounting standards • Working with industry to understand the effects of low passenger numbers during COVID-19 and wider economic uncertainties. BTPA has carried out a risk assessment on all funders and monitors this on a regular basis. | <p style="text-align: center;">^</p> <p>The impact of COVID-19 on the economic viability of the rail franchises and TfL presents a risk to BTP/A both in terms of affordability of the charges levied and the ability of funders to continue to pay over the next year and beyond. The ongoing actuarial valuations for both pension schemes may result in pressures to fund the pension schemes. Though the agreement of the five-year MTFP has brought greater financial certainty, its affordability is based on a number of assumptions which will need to be closely monitored.</p> |
| <p>Failure to provide the capacity and capability to prepare for and manage a major incident including terrorist attacks</p> <ul style="list-style-type: none"> • BTP is embedded in the National CT Network with regular access to national intelligence on the terrorist threat to the UK • Lessons learnt from previous incidents have been incorporated in BTP's preparedness • Planning, exercising and testing of incident / CT capability monitored by a dedicated Superintendent • BTP CT Strategic Threat and Risk Assessment in place and subject to regular review • CT Hubs in Birmingham and Manchester enhance CT capability outside of London • Critical Incident established for COVID-19 • Resilience forums in place to allow for rapid mobilisation • Development of potential opportunities to exploit data and innovative technologies to improve proactive and preventative measures across the rail network | <p style="text-align: center;">v</p> <p>The likelihood of attack or another critical incident remains high across the rail network. BTP is working with industry to minimise the impact of an attack and ensuring it is putting in place lessons learned from previous attacks to ensure the force is best prepared in the future. The force has also stood up a critical incident in response to COVID-19, working with partners to ensure the force can effectively support the public and keep the rail network safe.</p> |

| Risk | Future Trend |
|---|--|
| <p>Failure to provide effective policing across the rail network</p> <ul style="list-style-type: none"> • Policing Plan agreed with key stakeholders and published, with independent review of progress by the Performance and Delivery Committee • Targeted BTP activity on high risk and high threat areas e.g. violent crime, County Lines, counter terrorism • Focused workforce planning in place to manage resourcing levels, with further work planned to consider retention risks • Force performance, compliance and trend analysis reviewed on an ongoing basis • Additional national funding secured to deal with crime connected to County Lines • Training provided to rail staff to encourage them to report crime | <p style="text-align: center;">< ></p> <p>This risk reduced towards the end of the year following a focus on recruitment of new police officers which reduced the force's vacancy gap significantly. However, changes in legislation and policing regulations make it challenging to remain updated and conduct policing in three separate jurisdictions: Scotland, England and Wales.</p> |

Statement of information risk

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

Compliance with the Cabinet Office controls, Home Office and National Cyber Security Centre requirements, the Data Protection Act, the General Data Protection Regulation and all pertinent law and guidance for the policing community is required.

As required by the above authorities, BTPA must have policies and control measures in place to ensure that access to information is correctly and compliantly managed, and safeguarded throughout its life-cycle. The Information Management Unit (IMU) is responsible for ensuring that information risks are assessed and mitigated to an acceptable level, and is supported in the discharge of this responsibility by the BTP Senior Information Risk Owner (SIRO) who is the Director of Strategy and Change.

All key policies are up to date and issued. The Information Board with the SIRO as Chair continues to monitor Information Management compliance, processes and information risk, and reports to the BTP Audit, Risk, Inspection & Compliance Board. In light of concerns raised regarding the storage and management of physical records in 2018/19, the Force Records Manager continues to report to the Information Board each quarter on archiving activity to highlight any issues to Management for remediation.

During the previous year, BTP and BTPA were audited by GIAA for compliance with the 2018 General Data Protection Regulation, which resulted in an assurance level of Substantial.

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

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

Personal data related incidents

During 2019/20 there were 45 (2018/19: 26) incidents involving personal data breaches which were assessed for threat, risk and harm to individuals. The incidents included auto-complete email mis-directs, a result of auto-complete being a new feature, as well as unauthorised disclosures of personal data. There are plans to enhance understanding throughout the organisation through additional communications. Of these, three were reported to the Information Commissioner (ICO) during this period (2018/19: 3) but no action was taken against BTP/A.

There were six Data Protection Concern referrals from the ICO in 2019/20 (2018/19: 5). Three of these related to the same individual/issue. None required substantive further action beyond communication of our position.

Other assurance activities

Internal Audit

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

The 2019/20 annual internal audit opinion provided is of 'Limited' assurance, with significant weaknesses identified during the course of the year such that the framework of governance, risk management and control could become inadequate or ineffective. This follows on from 'moderate' assurance opinions reported over the last two years. The rating is reflective of management's understanding of the challenges faced by the organisation and its commitment to improve, as it has been proactive in commissioning audit activity on areas of concern, the findings of which have contributed to the basis of the opinion. It is also recognised that this year has seen a significant amount of transformational change, and with areas requiring attention identified, alongside transformation activity continuing into 2020/21, this provides good opportunity to remediate these issues as well as optimise the control environment. Management are committed to implementing the agreed actions.

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

Management Assurance Return

The Management Assurance Return (MAR) is submitted to the Department for Transport (DfT) each year to allow them to gain assurance on specific areas of governance and internal control.

There were two areas of limited assurance within the 2019/20 MAR (nil in 2018/19) which reaffirmed the focus needed on Health and Safety and Risk Management.

An independent maturity assessment of Health and Safety Culture identified a number of findings. Many of these were the result of resourcing difficulties in the function and challenges in managing areas of Health and Safety crossing into other functions. The Director of People and Culture provided an Assurance Statement to the Audit and Risk Assurance Committee (ARAC) to outline controls in place and the strategy for responding to findings from the Maturity Assessment. ARAC will monitor this and have included Health and Safety in the 2020/21 Internal Audit Plan.

Risk Management has been an area of focus for BTP/A but also has struggled with resources to implement and embed the new risk management framework. While risk has received more attention in 2019/20 at Authority committees and with management, and there are pockets of best practice, BTP/A do not have sufficient evidence to demonstrate that risk management is fully embedded and being used consistently across the organisation. It remains an area of focus and plans are in place to embed and mature risk management.

There has been a continual monitoring of the control environment and focus on continuous improvement.

However, the MAR reflects some weaknesses in internal control this year, with a slight decrease in 'substantial' ratings. Thirteen were rated substantial (2018/19: 16). Some of the scoring is reflective of the MAR questions being tailored to the organisation this year but the remainder notes where improvements are required. Action plans are in place to address limited and moderate rated areas and we will use our strong governance processes to monitor these.

HMICFRS

During 2019/20, BTP was subject to several inspections by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS).

In April 2019, the Force was inspected as part of HMICFRS' thematic inspection of County Lines Drugs Supply, focusing on the exploitation of vulnerability. BTP were one of ten other forces to be inspected, alongside three of the Regional Organised Crime Units and the National Crime Agency. The national report has been published and there is some positive commentary in the report where it references BTP and the efforts being made to understand and tackle County Lines criminality and safeguarding risks. Inspectors were complementary of the Force's governance arrangements, tactics and intelligence products. It was acknowledged that work to tackle County Lines was being driven at a senior level and that frontline officers were encouraged to be professionally curious.

HMICFRS conducted a bespoke inspection of BTP which focused on the specialist nature of the force and those specific policing matters that are of most significance for passengers and the rail industry. The force was inspected around its response to Disruption in June

2019. The inspection looked at how well the force aligned its priorities with the rail industry's priorities for policing, while maintaining its operational independence. It also looked at how well the force minimised the disruption to the railway network caused by trespass, fatalities, cable theft and other police-related incidents.

Overall, HMICFRS stated that the inspection was positive and the force delivers a high-quality policing response to Disruption.

In December 2019, the force was inspected as part of HMICFRS's rolling programme in relation to Counter Terrorism (CT) having previously been involved in the CT2, CT3, and CT4 Inspections. The CT5 Inspection examined the effectiveness of the police firearms response to terrorism. BTP was praised for the CT training it delivers to armed and unarmed officers.

In January 2020, HMICFRS conducted an unannounced custody inspection of BTP. This was a joint inspection with Her Majesty's Inspectorate of Prisons for England and Wales (HMIP), supported by the Care Quality Commission (CQC) and was the first unannounced inspection BTP has received. The inspection team carried out a physical inspection of BTP's custody facilities as well as reviewing policies, data and case files. As part of the inspection, inspectors focussed on vulnerability and how the force ensures that those most at risk are dealt with in an appropriate way.

The inspection overall was positive for the force. HMICFRS identified some recommendations that the force will address on staffing levels, PACE legislation compliance, performance monitoring best practice identified on how we treat detainees, good use of appropriate

adults for children and good pre-release risk assessments.

Good progress has been made against the recommendations contained in the HMICFRS improvement plans from 2017/18. This activity is monitored through a regular Challenge Panel, chaired by the Deputy Chief Constable. In many cases, the actions implemented have exceeded the requirement expected by HMICFRS.

Board Effectiveness Evaluation

BTPA has completed its fieldwork for the annual Board Effectiveness Evaluation looking at 2019/20. The final report and action plan was submitted to the June 2020 Authority meeting. Initial findings were discussed by Members at a board development session on 21 May 2020. The outcome of which was that whilst there is confidence that the Authority is meeting its statutory duties there was recognition that it would be beneficial to conduct a review of how it delivers its role in holding the BTP to account to ensure Members have sufficient assurance across the full spectrum of activity.

Information Technology (IT)

During 2019/20, significant new IT infrastructure and capability has been delivered as part of the Digital Transformation Programme under BTP2021. Key deliverables have included a new network deployment (NNS), including improved and resilient infrastructure, cloud transition and increased wi-fi capability. There has been deployment of Microsoft Office365, delivering the platform to support a more modern storage capability therefore lessening our dependence on traditional data centre storage and providing applications which enable a toolset to support modern policing.

Each element of the Office365 product suite requires a detailed understanding, and input from a Records Management, Data Protection and Information Security standpoint, and we are heavily dependent on Technology personnel for this knowledge and expertise.

Resilience measures supporting network and file server infrastructure are built into the design; Disaster Recovery capabilities continue to require improvement. The BTP Technology Strategy sets out the intention to remediate this through the NNS Project completion and the initial phase to move to cloud infrastructure, which is nearing its end. It is proposed that existing BTP systems will be considered for migration to cloud in subsequent phases. BTP's annual Information Risk Assurance return to the Home Office showed a large reduction in risk to the network resulting from the investment in the new network and better cross-working between Information Management and Technology.

There was one major network outage during this period which occurred in September 2019. This was a complex incident caused by a failure in our former network. While it took 19 days to return all services to full functionality, key services were restored incrementally to mitigate operational impact. BTP has well established, mature processes for managing outages, and directing them towards swift resolution. There were smaller outages in the year, the majority of which occurred outside of normal working hours, and mostly were attributable to aging network equipment, on-going network improvements or third parties.

Vetting Procedures

While the Authority continues to consider the overall vetting procedures to be fit for purpose, there were processing delays during the year due to a high volume of requests, in part as a result of the high number of police officer new intakes. The Vetting team transitioned into a new structure within the BTP2021 transformation programme and further improvements to the vetting process were made. BTP are in the process of procuring a new vetting software system used by other police forces that will bring efficiencies, leading to an effective and efficient vetting experience for all, which allows for fluctuations in demand. To BTPA's knowledge, no material issues, including financial losses, have arisen as a result of these delays.

Data security issues

During the 2019/20 period, BTPA recorded no data security breaches that it was not able to manage adequately to resolve. In May 2019, an attack on the public-facing BTP website media portal required investigation, remedial action and reporting. The Information Commissioner's Office (ICO) were satisfied with our investigation and remediation activities. We also self-reported the sharing of recidivist image information with King's Cross Estates to the ICO and the Surveillance Camera Commissioner (SCC), as King's Cross Estates had processed BTP-provided images (as well as some from the Metropolitan Police) through automated facial recognition technology (AFR) outside of our governance structure. This is still an on-going case with the ICO and SCC.

Review of Effectiveness

As Accounting Officer, I am responsible 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 an assurance statement from the Chief Constable as Additional Accounting Officer, the work of internal audit, external audit, the management assurance reporting and by external audit feedback in their management letter and other reports.

Having reviewed the evidence provided to me, I am satisfied, in line with our responsibilities set out above, that BTPA and BTP have implemented a system of internal control. Further work will continue in the financial year 2020/21 to strengthen controls.



H Ind
Accounting Officer
Date 17 July 2020

Remuneration Report

The appointment of the Members of the Authority

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

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

Remuneration policy and procedures

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

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

BTPA's general remuneration policy is determined by:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- the regional or local variations in labour markets and their effects on the recruitment and retention of staff;
- the specific factors that relate to policies and guidelines from the Police Remuneration Review Body which influences the remuneration arrangements for both superintending and federated ranks; and
- for police support 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 receive pensionable allowances and are entitled to claim expenses for travel, accommodation and subsistence when on Authority business.

Terms of appointment

Terms of appointment for 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 |
| Ian Pigden-Bennett, Interim Chief Executive | 29/10/2018 | 28/06/2019 | 1 |
| Sarah McGarel, Chief Financial Officer and Treasurer and Deputy Chief Executive | 09/04/2018 | Permanent appointment | 3 |

BTP Chief Officer Group

| Authority Officers | Commencement of contract | Term expiry date | Notice period required months |
|--|--------------------------|-----------------------|-------------------------------|
| Paul Crowther CBE, Chief Constable | 01/05/2014 | 07/02/2021 | 6 |
| Adrian Hanstock, Deputy Chief Constable | 14/10/2014 | 13/10/2021 | 3 |
| Sean O'Callaghan, Assistant Chief Constable | 25/06/2018 | Permanent appointment | 3 |
| Simon Downey, Director of Strategy and Change | 22/04/2014 | Permanent appointment | 3 |
| Tracey Martin, Director of Finance and Commercial Services | 30/07/2018 | Permanent appointment | 3 |
| Rachael Etebar, Director of People and Culture | 13/08/2018 | Permanent appointment | 3 |
| Robin Smith, Assistant Chief Constable | 19/09/2016 | 05/01/2020 | 3 |
| Charlie Doyle, Assistant Chief Constable | 20/09/2018 | Permanent appointment | 3 |

Remuneration of Authority Members (Audited)

| | 2019/20 | | | | 2018/19 | | | |
|--------------------------------------|-----------------|--|------------------------------|----------------|-----------------|--|------------------------------|----------------|
| | Salary £'000 | Benefits in kind (to nearest £100) £ | Pension Benefits £'000 | Total £'000 | Salary £'000 | Benefits in kind (to nearest £100) £ | Pension Benefits £'000 | Total £'000 |
| Members | | | | | | | | |
| Ron Barclay-Smith¹ | 40-45 | - | - | 40-45 | 40-45 | - | - | 40-45 |
| Dominic Booth | 15-20 | - | - | 15-20 | 15-20 | - | - | 15-20 |
| Elizabeth France² | - | - | - | - | 5-10 | - | - | 5-10 |
| Len Jackson³ | - | - | - | - | 0-5 | - | - | 0-5 |
| William Matthews | 15-20 | - | - | 15-20 | 15-20 | - | - | 15-20 |
| Andrew Pollins | 15-20 | - | - | 15-20 | 15-20 | - | - | 15-20 |
| Mark Phillips⁴ | 25-30 | - | - | 25-30 | 25-30 | - | - | 25-30 |
| Stella Thomas | 15-20 | - | - | 15-20 | 15-20 | - | - | 15-20 |
| Dyan Crowther⁵ | 5-10 | - | - | 5-10 | 15-20 | - | - | 15-20 |
| Jeremy Mayhew⁶ | 10-15 | - | - | 10-15 | 15-20 | - | - | 15-20 |
| Beverley Shears | 15-20 | - | - | 15-20 | 15-20 | - | - | 15-20 |
| William Gallagher | 15-20 | - | - | 15-20 | 15-20 | - | - | 15-20 |
| Martin Richards | 15-20 | - | - | 15-20 | 15-20 | - | - | 15-20 |
| Shrinivas Honap⁷ | 15-20 | - | - | 15-20 | 15-20 | - | - | 15-20 |
| Graham Evans⁸ | 10-15 | - | - | 10-15 | - | - | - | - |
| Kenna Kintrea⁹ | 10-15 | - | - | 10-15 | - | - | - | - |
| Andrew Cooper¹⁰ | 10-15 | - | - | 10-15 | - | - | - | - |
| Sir Craig Mackey¹¹ | 10-15 | - | - | 10-15 | - | - | - | - |

¹ Ron Barclay-Smith received a payment accrued from 2018/19 in the year for a temporary increase in the Chair's time commitment to BTPA, agreed with the DfT's sponsor branch. This was to address a number of governance and management matters. The full year equivalent for this role is £30,000-35,000.

² Elizabeth France's membership term ended on 1st July 2018. Full year equivalent in 2018/19 was £15,000 - £20,000.

³ Leonard Jackson was Interim Deputy Chair from 29th April 2017 to 4th March 2018, this involved an additional 20 days on a pro-rated basis versus a 30 day annual commitment for a member. His membership term ended 1 May 2018.

⁴ Mark Phillips performed the role of Deputy Chair in 2019/20, the full time equivalent for this role is £25,000 - £30,000

⁵ Dyan Crowther's membership term ended on 5th July 2019. Her full year equivalent for 2019/20 is £15,000 - £20,000

⁶ Jeremy Mayhew's membership term ended on 25th January 2020. His full year equivalent for 2019/20 is £15,000 - £20,000.

⁷ Shrinivas Honap's membership term ended on 25th February 2020. Full year equivalent in 2019/20 is £15,000 - £20,000.

⁸ Graham Evans was appointed on 20th May 2019, full year equivalent in 2019/20 is £15,000 - £20,000

⁹ Kenna Kintrea was appointed on 20th May 2019, full year equivalent in 2019/20 is £15,000 - £20,000.

¹⁰ Andrew Cooper was appointed on 20th May 2019, full year equivalent in 2019/20 is £15,000 - £20,000.

¹¹ Sir Craig Mackey was appointed on 20th May 2019, full year equivalent in 2019/20 is £15,000 - £20,000.

Remuneration of Authority Officers and Chief Officer Group (Audited)

| | 2019/20 | | | | |
|--|-----------------|-----------------------------------|--|------------------------------|----------------|
| | Salary £'000 | Compensation Payments £'000 | Benefits in kind (to nearest £100) £ | Pension Benefits £'000 | Total £'000 |
| Authority Officers | | | | | |
| Hugh Ind¹¹ | 110-115 | - | - | 26 | 135-140 |
| Sarah McGarel¹² | 120-125 | - | 1,300 | 31 | 150-155 |
| Ian Pigden-Bennett¹³ | 45-50 | 5 | - | 7 | 55-60 |
| Charlotte Vitty¹⁴ | - | - | - | - | - |
| Chief Officer Group | | | | | |
| Paul Crowther CBE | 200-205 | - | 14,200 | - | 215-220 |
| Adrian Hanstock | 160-165 | - | 3,900 | 39 | 205-210 |
| Sean O'Callaghan¹⁵ | 120-125 | - | - | 24 | 145-150 |
| Stephen Thomas¹⁶ | - | - | - | - | - |
| Simon Downey | 145-150 | - | - | 31 | 175-180 |
| Robin Smith | 105-110 | - | - | - | 105-110 |
| Alistair Cook¹⁷ | - | - | - | - | - |
| Tracey Martin¹⁸ | 125-130 | - | - | 28 | 155-160 |
| Rachael Etebar¹⁹ | 130-135 | - | - | 29 | 160-165 |
| Charlie Doyle²⁰ | 125-130 | - | - | - | 125-130 |

¹¹ Hugh Ind commenced his role as Chief Executive on 3rd June 2019. Full year equivalent salary is £145,000-£150,000

¹² Sarah McGarel began her term as Chief Financial Officer and Treasurer on 9th April 2018. Full year equivalent salary is £120,000 - £125,000.

¹³ Ian Pigden-Bennett's term as Chief Executive ended on 28th June 2019. Full year equivalent salary was £145,000 - £150,000.

¹⁴ Charlotte Vitty's term as Chief Executive ended on 1st September 2018. Full year equivalent salary was £140,000 - £145,000.

¹⁵ Sean O'Callaghan began his term as Assistant Chief Constable on 25th June 2018, full year equivalent salary is £120,000 - £125,000.

¹⁶ Stephen Thomas retired on the 14 May 2018. Full year equivalent salary was £115,000 - £120,000.

¹⁷ Alistair Cook's term as Finance Director ended on 27th July 2018, full year equivalent was £130,000 - £135,000.

¹⁸ Tracey Martin began her term as Finance Director on 30th July 2018. Full year equivalent salary is £125,000-£130,000.

¹⁹ Rachael Etebar began her term as Director of People & Culture on 13th August 2018. Full year equivalent salary is £130,000 - £135,000.

²⁰ Charlie Doyle was seconded from Surrey Police Force from 19 September 2017 until 19 September 2018. Since 20 September 2018, Charlie became a permanent employee. Full year equivalent is £125,000 - £130,000

Remuneration of Authority Officers and Chief Officer Group (Audited)

| | 2018/19 | | | | |
|--|-----------------|-----------------------------------|--|------------------------------|----------------|
| | Salary £'000 | Compensation Payments £'000 | Benefits in kind (to nearest £100) £ | Pension Benefits £'000 | Total £'000 |
| Authority Officers | | | | | |
| Hugh Ind¹¹ | - | - | - | - | - |
| Sarah McGarel¹² | 115-120 | - | - | 25 | 140-145 |
| Ian Pigden-Bennett¹³ | 55-60 | - | - | 15 | 70-75 |
| Charlotte Vitty¹⁴ | 65-70 | 22 | - | 34 | 120-125 |
| Chief Officer Group | | | | | |
| Paul Crowther CBE | 195-200 | - | 9,600 | - | 205-210 |
| Adrian Hanstock | 155-160 | - | - | 36 | 190-195 |
| Sean O'Callaghan¹⁵ | 80-85 | - | - | 18 | 100-105 |
| Stephen Thomas¹⁶ | 20-25 | 0.2 | 400 | - | 25-30 |
| Simon Downey | 140-145 | - | - | 27 | 165-170 |
| Robin Smith | 125-130 | - | - | - | 125-130 |
| Alistair Cook¹⁷ | 50-55 | 15 | - | 10 | 75-80 |
| Tracey Martin¹⁸ | 85-90 | - | - | 20 | 100-105 |
| Rachael Etebar¹⁹ | 75-80 | - | - | 19 | 95-100 |
| Charlie Doyle²⁰ | 55-60 | - | - | - | 55-60 |



Salary

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

Bonus payments

BTPA does not ordinarily operate a bonus scheme.

Benefits in kind

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

Performance pay

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

Pay Multiples (Audited)

| | 2019/20 £'000 | 2018/19 Restated £'000 |
|--|------------------|---------------------------|
| Band of highest paid senior officer (including bonus and benefits in kind) | £215-220k | £205-210k |
| Median Total Remuneration | £37,029 | £35,450 |
| Ratio | 5.87 | 5.85 |

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

The banded remuneration of the highest paid senior officer in the 2019/20 financial year was £215-220k (2018/19 £205-210k). This is the Chief Constable and Additional Accounting Officer for BTPA. This was 5.87 times (2018/19 5.85 times) the median remuneration of the workforce, which was £37,029 (2018/19: £35,450)

In 2019/20 no employees (2018/19: no employees) received remuneration in excess of the highest paid Senior Officer. The remuneration of employees ranged from £16,909 to £221,415 (2018/19: £16,662 to £194,525).

Total remuneration includes salary, non-consolidated performance related pay, benefits in kind and severance payments. It does not include benefits in kind relating to safeguarded travel as this only affects a small proportion of total employees and does not affect the median. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Pension benefits

Railways pension scheme - Authority and BTP support staff

Pension benefits are provided for Authority and BTP support staff through the Railways Pension Scheme British Transport Police Shared Cost Section. This is a registered pension scheme and intended to be a fully funded scheme which provides benefits on a "final salary" at a normal retirement age of 60. Benefits accrue at the rate of 1/60th of final average pay (less 1/40th of the final average basic state pension) for each year of pensionable service. In addition, a lump sum equivalent to 1/40th of final average pay for each year of service is payable on retirement. Members currently pay contributions of 10.06% of pensionable pay (less 1.5 times the basic state pension). Pensions in payment and deferment are increased in line with Orders made under the Pensions (Increase) Act 1971.

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

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

British Transport Police Force Superannuation Fund - Police Officers

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

For members who joined before 1 April 2007, benefits can be taken unreduced from age 55 (except where members have a 'protected' pension age). Benefits accrue at the rate of 1/45th of final average

salary (less 1/30th of final average basic state pension) for each year of beneficial membership. In addition, a lump sum equivalent to 1/30th of final average salary for each year of beneficial membership is payable on retirement. Members currently pay contributions of 16% of pensionable earnings (less 1.5 times the basic State Pension). Pensions in payment and deferment are increased in line with orders made under the Pensions (Increase) Act 1971.

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

For members who joined from 1 April 2015 the normal retirement age from active service is 60 and for retirement, having left BTPA's employment, it is 65. Benefits accrue at the rate of 1/55.3 of pensionable salary for each year of active service, with a revaluation rate for active members based on Consumer Price Inflation plus 1.25% per annum. No separate cash benefit accrues, although members have the option to exchange some pension for cash (in accordance with HMRC rules), on terms agreed between the Trustee and BTPA from time to time. Members currently pay 10% of pensionable

salary. Pensions in payment and deferment are increased in line with orders made under the Pensions (Increase) Act 1971.

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

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

Cash equivalent transfer value

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

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

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

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



Pension Benefits (Audited)

| Officials | Accrued values at pension age as at 31/03/20 | | Real increase values at pension age | | CETV at 31/03/19 | CETV at 31/03/20 | Real increase in CETV |
|---|--|----------|-------------------------------------|----------|------------------|------------------|-----------------------|
| | Pension | Lump sum | Pension | Lump sum | | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Authority Members | | | | | | | |
| Authority Members are not eligible to join the scheme | | | | | | | |
| Authority Officers | | | | | | | |
| Charlotte Vitty ¹ | - | - | - | - | 81 | - | - |
| Ian Pigden-Bennett | 0-5 | 0-5 | 0-2.5 | 0-2.5 | 17 | 29 | 12 |
| Hugh Ind | 0-5 | 0-5 | 0-2.5 | 0-2.5 | 0 | 29 | 29 |
| Sarah McGarel | 0-5 | 0-5 | 0-2.5 | 0-2.5 | 15 | 37 | 22 |
| Chief Officer Group | | | | | | | |
| Adrian Hanstock | 10-15 | 10-15 | 0-2.5 | 0-2.5 | 195 | 260 | 65 |
| Simon Downey | 10-15 | 10-15 | 0-2.5 | 0-2.5 | 151 | 201 | 49 |
| Alistair Cook ² | - | - | - | - | 71 | - | - |
| Sean O'Callaghan | 0-5 | 0-5 | 0-2.5 | 0-2.5 | 18 | 46 | 28 |
| Rachael Etebar | 0-5 | 0-5 | 0-2.5 | 0-2.5 | 23 | 62 | 39 |
| Tracey Martin | 0.5 | 0.5 | 0-2.5 | 0-2.5 | 18 | 48 | 30 |
| Paul Crowther | Opted out of scheme 04-04-2012 | | | | | | |
| Stephen Thomas | Retired from scheme 02-07-2012 | | | | | | |
| Robin Smith | Not a member of the scheme | | | | | | |
| Charlie Doyle | Not a member of the scheme | | | | | | |

¹ Charlotte Vitty's term ended on 1st September 2018² Alistair Cook's term ended on 27th July 2018**Staff Report****Total average number of persons employed**

| | 2019/20 | 2018/19 Restated |
|---|--------------|------------------|
| Permanently employed staff ³ | 4,899 | 5,020 |
| Other staff ⁴ | 92 | 62 |
| Total | 4,991 | 5,082 |

Total staff costs consist of (Audited):

| | 2019/20 | | | 2018/19 |
|---|----------------------------|--------------|----------------|----------------|
| | Permanently employed staff | Other staff | Total | Total |
| | £'000 | £'000 | £'000 | £'000 |
| Salaries and wages | 194,576 | 1,070 | 195,646 | 192,724 |
| Social security costs | 19,008 | - | 19,008 | 18,729 |
| Other pension costs | 80,220 | - | 80,220 | 77,924 |
| Sub-total | 293,804 | 1,070 | 294,874 | 289,377 |
| Less recoveries in respect of outward secondments | (941) | - | (941) | (1,073) |
| Total net costs | 292,864 | 1,070 | 293,934 | 288,304 |

Total expenditure on consultancy for 2019/20 is £2,443,115 (£566,797 in 2018/19) and total expenditure on temporary staff is £1,052,220 for 2019/20 (£665,773 in 2018/19).

³ Permanently employed staff are defined as staff with a permanent (UK) employment contract⁴ Staff engaged on a temporary basis to meet the objectives of the entity

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

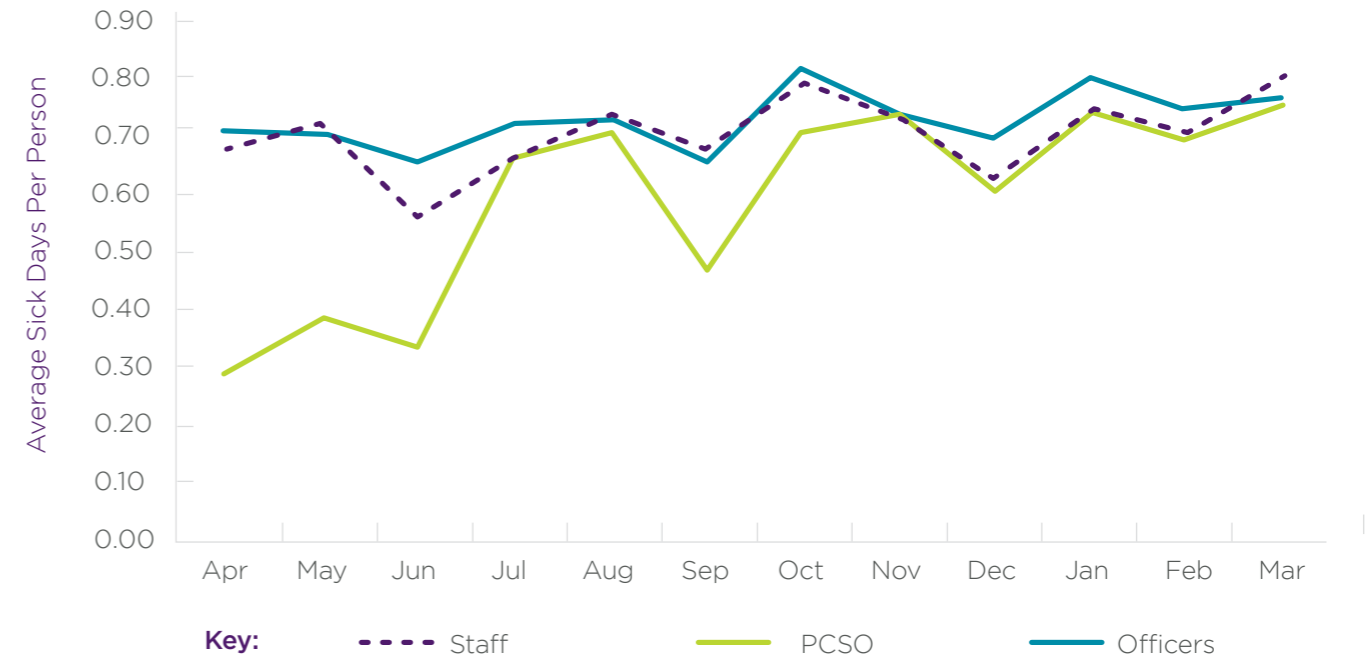
| Exit package cost band | Number of compulsory redundancies | | Number of other departures agreed | | Total number of exit packages by cost band | |
|--|-----------------------------------|---------|-----------------------------------|---------|--|---------|
| | 2019/20 | 2018/19 | 2019/20 | 2018/19 | 2019/20 | 2018/19 |
| <£10,000 | 13 | 18 | 15 | 5 | 28 | 23 |
| £10,000-£24,999 | 7 | 9 | 17 | 2 | 24 | 11 |
| £25,000-£49,999 | 6 | - | 18 | 1 | 24 | 1 |
| £50,000-£99,999 | - | - | 3 | - | 3 | - |
| £100,000-£149,999 | - | - | 1 | - | 1 | - |
| £150,000-£199,999 | - | - | - | - | - | - |
| Total number of exit packages | 26 | 27 | 54 | 8 | 80 | 35 |
| Total value of packages (£'000) | 410 | 205 | 1,288 | 81 | 1,698 | 286 |

There were 26 compulsory redundancies amounting to £410k in 2019/20 (27 in 2018/19 amounting to £205k). There was a total of 54 other departures in 2019/20 amounting to £1.29m (8 in 2018/19 amounting to £81k).

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

Employee composition**Number of persons of each gender who were employees of the entity as at 31 March 2020**

| | 2019/20 | | | 2018/19 | | |
|--|---------|--------|-------|---------|--------|-------|
| | Male | Female | Total | Male | Female | Total |
| Authority Members | 8 | 3 | 11 | 10 | 4 | 14 |
| Authority Officers and Strategic Command Team | 6 | 3 | 9 | 9 | 4 | 13 |
| Remaining Staff | 3,369 | 1,530 | 4,899 | 3,658 | 1,630 | 5,288 |
| Total | 3,383 | 1,536 | 4,919 | 3,677 | 1,638 | 5,315 |

Sickness absences

For the year 2019/20, BTP averaged 9.6 sick days per person (2018/19: 8.5). This is a slight increase that can be partly attributed to COVID-19. Sickness and attendance management remains a key focus for all, with a view to support employees' wellbeing and maximise attendance at work.

Trade Union Facility Time

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017 (Statutory Instrument 328) British Transport Police had 18 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 two of the individuals, and 1%-50% for the remaining 16, 0.0422% of BTP's total pay bill of £161,911,000 is spent on facility time. A total of 0.94% 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 £7k.

Off-Payroll Tables

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

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

| | 2019/20 |
|---|-----------|
| Total engagements at the reporting date | 14 |
| Number of existing engagements that have existed for: | |
| – less than 1 year at the reporting date | 7 |
| – between 1 and 2 years at the reporting date | 7 |
| – between 2 and 3 years at the reporting date | 0 |
| – between 3 and 4 years at the reporting date | 0 |
| – more than 4 years at the reporting date | 0 |

New off-payroll engagements, or those that reached six months duration, during the reporting period, for more than £245 per day and last for longer than six months for BTP and BTPA:

| | 2019/20 |
|---|-----------|
| Number of new engagements, or those that reached six months duration, during the reporting period | 16 |
| Number assessed in scope of IR35 | 15 |
| Number assessed as out of scope of IR35 | 1 |
| Number engaged directly (via a personal service company contracted to the organisation) and are on the organisation's payroll | 0 |
| Number of engagements reassessed for consistency/assurance purposes during the year | 2 |
| Number of engagements whose IR35 status changed following reassessment | 1 |

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

| | 2019/20 |
|---|---------|
| 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. | 9 |
| Number of off-Payroll engagements of board members, and/or, senior officials with significant financial responsibility during the financial year | 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:

- Ability Network (Disability Support)
- 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)
- National Police Autism Association
- Police Pagan Association
- Support Association for Minority Ethnic staff

Disability management

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



H Ind

Accounting Officer
Date 17 July 2020



Parliamentary Accountability and Audit Report

Regularity of expenditure:

Losses and Special payments (audited)

| | 2019/20 | Restated 2018/19 |
|---|------------|------------------|
| Total number of losses and special payments | 226 | 184 |
| Total value of losses and special payments | £1,584,269 | £955,872 |
| Losses statement | | |
| Number of losses | 66 | 23 |
| Value of losses | £320,750 | £24,608 |
| Special payments statement | | |
| Number of special payments | 160 | 161 |
| Value of special payments | £1,263,519 | £931,264 |

A total of £667,673 (2018/19 £859,030) was paid to settle legal claims from former employees and the public. There was no individual payment in excess of £300,000.

Special payments

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

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

Opinion on financial statements

I certify that I have audited the financial statements of the British Transport Police Fund for the year ended 31 March 2020 under the Railways and Transport Safety Act 2003. The financial statements comprise of the Statements of Comprehensive Income, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of British Transport Police Fund's affairs as at 31 March 2020 and of net deficit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Railways and Transport Safety Act 2003 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis of opinions

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

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the British Transport Police Fund's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the British Transport Police Fund have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the British Transport Police Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of BTPA and the Accounting Officer for the financial statements

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



Auditor's responsibilities for the audit of the financial statements

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

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design

and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of British Transport Police Fund's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- conclude on the appropriateness of the British Transport Police Fund's use of the going concern

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

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

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

Other Information

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

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Railways and Transport Safety Act 2003;

- in the light of the knowledge and understanding of the British Transport Police Fund and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

Date 20 July 2020

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



Financial Report

Statement of comprehensive income

For the year ended 31 March 2020

| | Note | 31 March 2020 | 31 March 2019 |
|---|------|------------------|------------------|
| | | £'000 | £'000 |
| Income | | | |
| Police Service Agreement | 6 | 243,867 | 237,587 |
| Other Income | 6 | 61,395 | 65,602 |
| | | 305,262 | 303,189 |
| Expenditure | | | |
| Staff costs | 7 | (293,934) | (288,304) |
| Depreciation and amortisation | 8 | (17,437) | (14,244) |
| Other expenditure | 8 | (55,171) | (56,265) |
| | | (366,542) | (358,813) |
| Operating deficit | | (61,280) | (55,624) |
| Net interest receivable | | 110 | 93 |
| Net interest payable for pension schemes | 23 | (18,120) | (17,730) |
| Finance expense | 8 | (426) | - |
| Net deficit for the financial year | | (79,716) | (73,261) |
| Other comprehensive income | | | |
| Items that will not be reclassified: | | | |
| Net gain/(loss) on revaluation of non-current assets | 22 | 977 | 1,300 |
| Actuarial gains/(losses) on defined benefit pension schemes | 22 | 276,270 | 9,540 |
| | | 277,247 | 10,840 |
| Total comprehensive surplus / (deficit) for the year ended 31 March 2020 | | 197,531 | (62,421) |

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

Statement of financial position

as at 31 March 2020

| | Note | 31 March 2020 | 31 March 2019 |
|---|-------|------------------|------------------|
| | | £'000 | £'000 |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 62,475 | 42,216 |
| Intangible assets | 10 | 5,568 | 7,203 |
| Total non-current assets | | 68,043 | 49,419 |
| Current assets | | | |
| Inventories | 12 | 48 | 866 |
| Trade and other receivables | 13 | 19,477 | 19,635 |
| Cash and cash equivalents | 14 | 39,093 | 38,870 |
| Total current assets | | 58,618 | 59,371 |
| Total assets | | 126,661 | 108,790 |
| Current liabilities | | | |
| Trade and other payables | 15 | (47,731) | (41,267) |
| Provisions for liabilities and charges | 16 | (7,280) | (8,228) |
| Total current liabilities | | (55,011) | (49,495) |
| Non-current assets plus net current assets | | 71,650 | 59,295 |
| Non-current liabilities | | | |
| Pension liabilities | 23 | (579,327) | (781,607) |
| Other payables | 15 | (16,910) | (745) |
| Total non-current liabilities | | (596,237) | (782,352) |
| Assets less liabilities | | (524,587) | (723,057) |
| Taxpayers' net (deficit) | | | |
| Income and expenditure reserve | 22 | 49,479 | 54,307 |
| Revaluation reserve | 22 | 5,261 | 4,243 |
| Pension reserve | 22,23 | (579,327) | (781,607) |
| | | (524,587) | (723,057) |

The financial statements on pages 80 to 121 were approved by the Authority on 24/06/20 and were signed on its behalf by:



Hugh Ind
Accounting Officer
Date 17 July 2020

Statement of cash flows
For the year ended 31 March 2020

| | Note | 2019/20 | 2018/19 |
|--|------|-----------------|-----------------|
| | | £'000 | £'000 |
| Cash flows from operating activities | | | |
| Net deficit for the financial year | | (79,716) | (73,261) |
| Less non-cash adjustments | | | |
| (Profit)/Loss on disposal of non-current assets | 8 | (111) | 10 |
| (Increase)/Decrease in trade and other receivables | 13 | 158 | (1,767) |
| (Increase)/Decrease in inventories | 12 | 818 | 288 |
| Increase/(Decrease) in trade and other payables falling due within one year | 15 | 2,896 | (3,448) |
| Increase/(Decrease) in trade and other payables due after more than one year | 15 | (674) | - |
| Increase/(Decrease) in provisions | 16 | (948) | 3,490 |
| Depreciation of property, plant and equipment | 9 | 11,201 | 11,117 |
| Depreciation of right-of-use assets | 9 | 3,209 | - |
| Amortisation of intangible assets | 10 | 3,027 | 3,127 |
| IAS 19 Pension adjustment | 23 | 55,870 | 53,627 |
| Net interest payable for pension schemes | 23 | 18,120 | 17,730 |
| Finance expense | 8 | 426 | - |
| Derecognition of assets under construction | 9,10 | 679 | - |
| Less cash item classified elsewhere within statement of cash flows | | (110) | (93) |
| Net cash flow from operating activities | | 14,845 | 10,820 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 9 | (10,207) | (9,827) |
| Purchase of intangible assets | 10 | (1,178) | (303) |
| Proceeds from disposal of assets | | 182 | 74 |
| Interest paid/(received) | | - | - |
| Net cash flow from investing activities | | (11,203) | (10,056) |
| Cash flows from financing activities | | | |
| Capital repayment of right-of-use liabilities | 19 | (3,529) | - |
| Interest received | | 110 | 93 |
| Net cash flows from financing activities | | (3,419) | 93 |
| Net increase/(decrease) in cash and cash equivalents in the period | | 223 | 857 |
| Cash and cash equivalents at the beginning of the period | | 38,870 | 38,013 |
| Cash and cash equivalents at the end of the period | | 39,093 | 38,870 |

Statement of changes in taxpayers' equity
For the year ended 31 March 2020

| | Note | Income and expenditure reserve | Revaluation reserve | Pension reserve | Total reserves |
|---|---------|--------------------------------|---------------------|------------------|------------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Balance at 01 April 2018 | | 55,858 | 2,943 | (719,790) | (660,989) |
| Changes in taxpayers' equity 2018/19 | | | | | |
| Net gain/(loss) on revaluation of property, plant and equipment and intangible assets | 9,10,22 | - | 1,653 | - | 1,653 |
| Actuarial Gains/(Losses) | 22 | - | - | 9,540 | 9,540 |
| Net deficit for the year | 22 | (73,261) | - | - | (73,261) |
| Transfer to/from Reserves | 9,10,22 | 71,710 | (353) | (71,357) | - |
| Excess of pension expense charged in year over employer pension contributions | 23 | - | - | - | - |
| Balance at 31 March 2019 | | 54,307 | 4,243 | (781,607) | (723,057) |
| Changes in taxpayers' equity 2019/20 | | | | | |
| First time adoption of IFRS 16 | 22 | 415 | - | - | 415 |
| Net gain/(loss) on revaluation of property, plant and equipment and intangible assets | 9,10,22 | - | 1,501 | - | 1,501 |
| Actuarial Gains/(Losses) | 22 | - | - | 276,270 | 276,270 |
| Net deficit for the year | 22 | (79,716) | - | - | (79,716) |
| Transfer to/from Reserves | 9,10,22 | 74,473 | (483) | (73,990) | - |
| Excess of pension expense charged in year over employer pension contributions | 23 | - | - | - | - |
| Balance at 31 March 2020 | | 49,479 | 5,261 | (579,327) | (524,587) |

Notes to the Accounts

1. General

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

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

2. Statement of accounting policies

These financial statements have been prepared in accordance with the 2019-20 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the British Transport Police Authority (BTPA) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Authority for 2019-20 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, notwithstanding the substantial negative taxpayers' equity.

The negative equity arises because of the Authority's substantial net liabilities relating to defined benefit pension schemes. As disclosed in Note 23 and the Directors' Report, contributions to the schemes are based on periodic actuarial valuations, including contributions for any past service deficit. The income receivable under Public Service Agreements (PSAs) 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 New Accounting standards issued

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 its impact on the Authority to not be material since no insurance contracts are issued by this entity.

2.4 New Accounting standards issued and adopted

2019-20 IFRS 16 Leases provides a single lessee accounting model, requiring 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 IFRS is effective in the private sector for accounting periods commencing on or after 1 January 2019. BTPA has adopted IFRS 16 in the financial year commencing 1 April 2019. IFRS 16 gives a narrower definition of a lease than IAS 17 (Leases) and IFRIC 4 (Determining Whether an Arrangement Contains a Lease), by requiring that assets and liabilities are recognised initially at the discounted value of the minimum lease payments, and that the assets, to be described as 'right-of-use' assets, will be presented under Property, Plant and Equipment. Therefore, implementation of IFRS 16 has increased the value of property, plant and equipment assets and the value of lease liabilities. After initial recognition, right-of-use assets have been amortised 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. HM Treasury proposed that IFRS 16 be implemented using the cumulative catch-up method; as a result, comparatives will not be restated and the measurement of the asset and liability balances recognised with effect from 1 April 2019 reflect BTPA's position as at that date. HM Treasury issued an initial central internal discount rate of borrowing of 1.99% which has been applied by BTPA where it was not practical to obtain the rate implicit in the lease contract. As IFRS 16 has been implemented using the cumulative catch-up method, comparatives for 2018-19 will not be re-stated, and the adjustment to net assets will be made with effect from 1 April 2019. The right-of-use assets and leasing obligations have been calculated according to the policy described above.

IAS 17 to IFRS 16 Liability Reconciliation:

| | £'000 |
|--|---------------|
| Opening Lease Liability under IAS 17 | 53,478 |
| Short term leases ¹ | (26,625) |
| Impact of discounting | (2,168) |
| Other changes in the value of existing lease arrangements ² | (722) |
| Peppercorn transition reserve | (451) |
| Total opening lease liability under IFRS 16 | 23,512 |

2.5 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 as interpreted and adapted for the public sector. Even though the valuation at historical cost complies with IAS 16 and, although the FReM has withdrawn this method of valuation, it still allows historical cost accounting under certain circumstances and it is more consistent to make the inserted statement. These non-current assets are recognised initially at cost, which comprises purchase price (including non-recoverable Value Added Tax ((VAT)) and any costs of bringing assets to the location and condition necessary for them to be capable of operating in the manner intended. Following recognition, PPE is revalued and restated to current value each year using the relevant modified historic costing indices from the Office for National Statistics (ONS).

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

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 revaluation reserve relevant to the asset is also released upon disposal.

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.

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

² The IAS17 lease liability valuation included irrecoverable VAT and service charges. These elements have been removed in order to comply with IFRS 16.

2.6 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.

2.7 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 – 5 years

No depreciation is provided on assets under construction.

2.8 Intangible assets

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

The 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 require there to be an identifiable asset that will produce future benefits and that 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 five year useful economic life.

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 the SoCI.

2.9 Disposals

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

2.10 Impairment of non-financial assets

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

At the end of each reporting period, the BTPA reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, 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. An adjustment is also made in the revaluation reserve where required.

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

2.11 Income

Income is recognised as the performance obligations are fulfilled in line with IFRS 15 - Revenue from Contracts with Customers. The majority of income is derived from Police Service Agreements (PSAs) and Enhanced Police Service Agreements (EPSAs). PSAs are 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. 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, and rebates are given where the service provided was below the performance obligation.

2.12 Leases

IFRS 16 Leases provides a single lessee accounting model, requiring 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 "low value". The standard requires assets and liabilities to be recognised initially at the discounted value of the minimum lease payments, and that the assets, to be described as right-of-use assets, will be presented under Property, Plant and Equipment. After initial recognition, 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.

The Authority has a number of short term leases in respect of property that do not come under the scope of IFRS 16. These leases are considered short-term on the grounds that 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. Rentals under operating leases are charged to the SoCI in the period within which they are incurred.

2.13 Provisions

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

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

2.14 Contingent liabilities

In accordance with IAS 37, the Authority discloses 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.

2.15 VAT

Most of the activities of the BTPA are outside the scope of VAT. Amounts are therefore net of VAT except where VAT is irrecoverable and then it is charged accordingly.

2.16 Interest payable/ receivable and 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.

2.17 Inventories

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

2.18 Impairment of financial assets

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

2.19 Cash and cash equivalents

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

2.20 Staff costs

Benefits payable during employment

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

Benefits payable after employment

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

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

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

2.21 Reserves

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.

3. Critical accounting judgements

In applying the accounting policies set out above, the Authority has identified one critical accounting judgement, namely the applicability of the going concern basis for the preparation of its accounts as discussed in Note 2.2 above. Furthermore, IFRS15 requires judgement to ascertain when the performance obligations are met.

4. Sources of estimation uncertainty

Key sources of estimation uncertainty

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

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

- Property, plant and equipment - as a result of changes in assumptions about useful economic lives. Any reduction in useful economic lives would reduce the assets and increase expenditure;
- Pension liabilities - as a result of assumptions on discount rates, pay increases and mortality. See further detail at Note 23;
- Pension assets - as a result of 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;
- 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, London retains overall command of the Force's activity and houses central departments and functions. While 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.

| | 2019/20 | 2018/19 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Divisions | | |
| B Division | 93,926 | 95,588 |
| C Division | 56,696 | 57,922 |
| D Division | 11,921 | 13,256 |
| Remaining overheads | 203,999 | 192,047 |
| Total expenditure before finance expenses | 366,542 | 358,813 |

6. Income

| | 2019/20 | 2018/19 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Police Service Agreement income | 243,867 | 237,587 |
| Other income | | |
| London Underground Agreement income | 41,016 | 42,937 |
| Enhanced Police Service Agreement income | 17,611 | 19,979 |
| Smaller funding agreements | 685 | 299 |
| Other Income | 1,942 | 2,277 |
| Capital funding | 141 | 110 |
| Sub-total | 61,395 | 65,602 |
| Total | 305,262 | 303,189 |

The British Transport Police 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 customers' contribution, the Authority aims to ensure that its full annual costs are covered and uses a predetermined charging mechanism that is consistent with the Act and is in accordance with the customer's PSA. The customer is normally referred to as the PSA holder.

6.2 Enhanced Police Service Agreements

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

6.3 London Underground Agreement

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

6.4 Other Income

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

7. Staff numbers and related costs

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

| | 2019/20 | | | 2018/19 |
|---|----------------------------|--------------|----------------|----------------|
| | £'000 | | | £'000 |
| | Permanently employed staff | Other staff | Total | Total |
| Total staff costs consist of: | | | | |
| Salaries and wages | 194,576 | 1,070 | 195,646 | 192,724 |
| Social security costs | 19,008 | - | 19,008 | 18,729 |
| Other pension costs | 80,220 | - | 80,220 | 77,924 |
| Sub-total | 293,804 | 1,070 | 294,874 | 289,377 |
| Less recoveries in respect of outward secondments | (941) | - | (941) | (1,073) |
| Total net costs | 292,864 | 1,070 | 293,934 | 288,304 |

8. Other expenditure

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

| | Note | 2019/20 £'000 | 2018/2019 £'000 |
|---|------|------------------|--------------------|
| Staff related costs | | 3,685 | 5,727 |
| Communications and computers | | 15,061 | 14,759 |
| Operational expenses | | 3,931 | 3,483 |
| Administrative expenses | | 1,714 | 1,969 |
| Professional services | | 3,873 | 1,296 |
| Legal and Insurance | | 3,772 | 2,795 |
| Equipment purchases | | 2,415 | 2,264 |
| Rentals under operating leases | | 4,839 | 8,832 |
| Premises (excluding rentals under operating leases) | | 10,507 | 9,677 |
| Transport costs | | 5,471 | 5,467 |
| Other | | (97) | (4) |
| Other expenditure | | 55,171 | 56,265 |
| Depreciation of property, plant and equipment | 9 | 11,201 | 11,117 |
| Depreciation of right-of-use assets | 9 | 3,209 | - |
| Amortisation of intangible assets | 10 | 3,027 | 3,127 |
| Depreciation and amortisation | | 17,437 | 14,244 |
| Finance expense | | 426 | - |
| Total | | 73,034 | 70,509 |

During the year the Authority did not purchase any non-audit services from its auditor the Comptroller and Auditor General. Included in other expenditure is the audit fee of £103.5k for auditor's remuneration for audit work related to 2019-20 (2018-19: £101k). It also includes a stock provision of £677k (2018/2019 £52k). The (profit)/loss on disposal of assets of £(111k) (2018/2019 £10k loss) is recognised within the "Other" expenditure category.

* Included within other expenditure is (profit)/loss on disposal of assets of £(111k) (2018/2019 £10k loss) and stock provision of £677k (2018/2019 £52k). The remainder of the balance is made up of sundry items.

9. Property, plant and equipment

| | Leasehold improvements £'000 | Plant and machinery £'000 | Motor Vehicles £'000 | Assets under construction - Motor Vehicles £'000 | Assets under construction - Other £'000 | Right-of-Use Assets £'000 | Fixtures & fittings £'000 | IT equipment £'000 | Total £'000 |
|--|---------------------------------|------------------------------|-------------------------|---|--|------------------------------|------------------------------|-----------------------|----------------|
| Cost | | | | | | | | | |
| As at 1 April 2019 | 42,860 | 16,039 | 16,052 | 1,372 | 3,371 | - | 3,156 | 33,646 | 116,496 |
| IFRS 16 - First time adoption | - | - | - | - | - | 23,511 | - | - | 23,511 |
| Additions | 575 | 455 | 1,620 | 683 | 3,693 | 449 | 11 | 3,170 | 10,656 |
| Disposals | - | - | (2,300) | - | - | - | - | - | (2,300) |
| Derecognition | - | - | - | (207) | (436) | - | - | - | (643) |
| Revaluations | 658 | 134 | 131 | - | - | - | 17 | 290 | 1,230 |
| Reclassifications | 17 | 467 | 1,165 | (1,165) | (2,739) | - | 1 | 2,254 | - |
| As at 31 March 2020 | 44,110 | 17,095 | 16,668 | 683 | 3,889 | 23,960 | 3,185 | 39,360 | 148,950 |
| Depreciation | | | | | | | | | |
| As at 1 April 2019 | 24,478 | 12,401 | 10,884 | - | - | - | 2,810 | 23,707 | 74,280 |
| Charged in year | 3,051 | 1,712 | 2,133 | - | - | 3,209 | 235 | 3,587 | 13,927 |
| Disposals | - | - | (2,215) | - | - | - | - | - | (2,215) |
| Derecognition | - | - | - | - | - | - | - | - | - |
| Revaluations | 168 | 80 | 86 | - | - | - | 14 | 135 | 483 |
| Reclassifications | - | - | - | - | - | - | - | - | - |
| As at 31 March 2020 | 27,697 | 14,193 | 10,888 | - | - | 3,209 | 3,059 | 27,429 | 86,475 |
| Carrying amount as at 31 March 2020 | 16,413 | 2,902 | 5,780 | 683 | 3,889 | 20,751 | 126 | 11,931 | 62,475 |
| Asset Financing | | | | | | | | | |
| Owned | 16,413 | 2,902 | 5,780 | 683 | 3,889 | 20,751 | 126 | 11,931 | 62,475 |
| Carrying amount as at 31 March 2020 | 16,413 | 2,902 | 5,780 | 683 | 3,889 | 20,751 | 126 | 11,931 | 62,475 |

9. Property, plant and equipment (continued)

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

10. Intangible assets

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

| | Licences £'000 | Software £'000 | Wide area network £'000 | Websites £'000 | Assets under construction £'000 | Total £'000 |
|--|-------------------|-------------------|----------------------------|-------------------|------------------------------------|----------------|
| Cost | | | | | | |
| As at 1 April 2019 | 6,699 | 12,836 | 4,250 | 343 | 236 | 24,364 |
| Additions | 241 | 37 | 1 | - | 899 | 1,178 |
| Derecognition | - | - | - | - | (36) | (36) |
| Revaluations | 51 | 195 | - | 4 | - | 250 |
| Reclassifications | 195 | - | - | - | (195) | - |
| As at 31 March 2020 | 7,186 | 13,068 | 4,251 | 347 | 904 | 25,756 |
| Amortisation | | | | | | |
| As at 1 April 2019 | 5,089 | 7,543 | 4,250 | 279 | - | 17,161 |
| Charged in year | 692 | 2,296 | (1) | 40 | - | 3,027 |
| Derecognition | - | - | - | - | - | - |
| Revaluations | - | - | - | - | - | - |
| Reclassifications | - | - | - | - | - | - |
| Carrying amount as at 31 March 2020 | 5,781 | 9,839 | 4,249 | 319 | - | 20,188 |
| As at 31 March 2020 | 1,405 | 3,229 | 2 | 28 | 904 | 5,568 |
| Asset financing: | | | | | | |
| Owned | 1,405 | 3,229 | 2 | 28 | 904 | 5,568 |
| Carrying amount as at 31 March 2020 | 1,405 | 3,229 | 2 | 28 | 904 | 5,568 |

10. Intangible assets (continued)

| | Licences | Software | Wide area network | Websites | Assets under construction | Total |
|--|--------------|---------------|-------------------|------------|---------------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | | |
| As at 1 April 2018 | 6,484 | 12,519 | 4,250 | 339 | 183 | 23,775 |
| Additions | 145 | 105 | - | - | 53 | 303 |
| Derecognition | - | - | - | - | - | - |
| Revaluations | 70 | 212 | - | 4 | - | 286 |
| Reclassifications | - | - | - | - | - | - |
| As at 31 March 2019 | 6,699 | 12,836 | 4,250 | 343 | 236 | 24,364 |
| Amortisation | | | | | | |
| As at 1 April 2018 | 4,259 | 5,291 | 4,250 | 234 | - | 14,034 |
| Charged in year | 830 | 2,252 | - | 45 | - | 3,127 |
| Derecognition | - | - | - | - | - | - |
| Revaluations | - | - | - | - | - | - |
| Reclassifications | - | - | - | - | - | - |
| As at 31 March 2019 | 5,089 | 7,543 | 4,250 | 279 | - | 17,161 |
| Carrying amount as at 31 March 2019 | | | | | | |
| | 1,610 | 5,293 | - | 64 | 236 | 7,203 |
| Asset financing: | | | | | | |
| Owned | 1,610 | 5,293 | - | 64 | 236 | 7,203 |
| Carrying amount as at 31 March 2019 | 1,610 | 5,293 | - | 64 | 236 | 7,203 |

11. Financial instruments

BTPA has contractual provisions to receive cash payments in return for providing a policing service and for full cost recovery of BTPA expenditure. The various BTPA income streams relate to agreements covered by PSAs, EPSAs, 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 pass cost and revenue risk for the majority of operators to DfT.

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. IFRS9 Financial Instruments was adopted for the first time last year. Adoption had no impact on the accounts. 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.

| | 2019/20 | | 2018/19 | |
|---|---------------|---------------|---------------|---------------|
| | Book Value | Fair Value | Book Value | Fair Value |
| Primary financial instruments | £'000 | £'000 | £'000 | £'000 |
| Financial assets | | | | |
| Cash at bank | 39,093 | 39,093 | 38,870 | 38,870 |
| Trade receivables | 12,347 | 12,347 | 7,870 | 7,870 |
| | 51,440 | 51,440 | 46,740 | 46,740 |
| Financial liabilities | | | | |
| VAT payable | 517 | 517 | 971 | 971 |
| Other taxation & social security payables | 2,578 | 2,578 | 2,819 | 2,819 |
| Trade payables | 1,508 | 1,508 | 2,928 | 2,928 |
| | 4,603 | 4,603 | 6,718 | 6,718 |

12. Inventories

| | 2019/20 | 2018/19 |
|------------------------|-----------|------------|
| | £'000 | £'000 |
| Uniforms | | |
| Opening balance | 866 | 1,154 |
| Additions | 914 | 794 |
| Utilisations | (1,055) | (1,030) |
| Provision | (677) | (52) |
| Closing balance | 48 | 866 |

During the year, the provision for inventories to net realisable value was increased by £677k to £818k (2018-19: £52k). This was to provide against the full value of aged uniform which is due to be disposed of in the following reporting period.

13. Trade receivables and other assets

| | 2019/20 | 2018/19 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Amounts falling due within one year: | | |
| Trade receivables - contracts with customers | 12,347 | 7,870 |
| Trade receivables - other | - | - |
| Other receivables | 1,343 | 1,621 |
| Prepayments and accrued income | 5,787 | 10,144 |
| Less: Impairment of receivables using expected loss model | - | - |
| Total | 19,477 | 19,635 |
| Amounts in the above figures due from other entities included in the whole of government accounts: | | |
| Other central government bodies | 1,143 | 283 |
| Local authorities | 9,296 | 7,464 |
| Public corporations and trading funds | 22 | - |
| Intra-government debtors | 10,461 | 7,747 |
| Bodies external to government | 9,016 | 11,888 |
| Total | 19,477 | 19,635 |

14. Cash and cash equivalents

| | 2019/20 | 2018/19 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Balance at 01 April | 38,870 | 38,013 |
| Net change in cash and cash equivalent balances | 223 | 857 |
| Balance at 31 March | 39,093 | 38,870 |
| The following balances at 31 March were held at: | | |
| Government banking service | 107 | 107 |
| Commercial banks and cash in hand | 38,986 | 38,763 |
| Balance at 31 March | 39,093 | 38,870 |

15. Trade payables and other liabilities

| | 2019/20 | 2018/19 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Amounts falling due within one year: | | |
| VAT payable | 517 | 971 |
| Other taxation & social security payables | 2,578 | 2,819 |
| Trade payables | 1,508 | 2,928 |
| Other payables | 1,623 | 1,505 |
| Lease liabilities - right-of-use assets | 3,568 | - |
| Accruals | 37,676 | 32,779 |
| Deferred income - contracts with customers | 261 | 265 |
| Deferred income - other | - | - |
| Total | 47,731 | 41,267 |
| Amounts falling due after more than one year: | | |
| Other payables, accruals and deferred income | 71 | 745 |
| Lease liabilities - right-of-use assets | 16,839 | - |
| Total | 64,641 | 42,012 |
| Amounts in the above figures due to other entities included in the whole of government accounts: | | |
| Other central government bodies | 6,568 | 5,935 |
| Local authorities | 8,240 | 1,646 |
| Public corporations and trading funds | - | (81) |
| Intra-government payables and liabilities | 14,808 | 7,500 |
| Bodies external to government | 49,833 | 34,512 |
| Total | 64,641 | 42,012 |

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 2020/21 financial period.

| | Claims against the Authority | Employment tribunals | Dilapidations | Other provisions | Total |
|---|------------------------------|----------------------|---------------|------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 April 2018 | 1,304 | 60 | 1,939 | 1,435 | 4,738 |
| Provided in the year | 2,128 | 180 | 83 | 3,496 | 5,887 |
| Provisions utilised during the year | (1,381) | (10) | (14) | (161) | (1,566) |
| Provisions written back in the year | (825) | - | - | (6) | (831) |
| Balance at 31 March 2019 | 1,226 | 230 | 2,008 | 4,764 | 8,228 |
| Provided in the year | 2,325 | 190 | 174 | 1,665 | 4,354 |
| Provisions utilised during the year | (896) | (176) | - | (2,376) | (3,448) |
| Provisions written back during the year | (676) | (137) | - | (1,041) | (1,854) |
| Balance at 31 March 2020 | 1,979 | 107 | 2,182 | 3,012 | 7,280 |

Claims against the Authority

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

Employment tribunals

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

Dilapidations

This provision applies to dilapidations of leasehold properties.

Other provisions

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

17. Contingent Liabilities

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

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. Using information present at the time, and that

no evidence of completed cases for these categories of claim exist across the country, the Authority has concluded that on the balance of probabilities a liability for the future settlement of these types of claims does not exist.

18. Capital commitments

As at 31 March 2020 the Authority had the following capital commitments:

| | 2019/20 | 2018/19 |
|----------------------------------|--------------|------------|
| | £'000 | £'000 |
| Estates | 20 | 9 |
| Technology | 718 | 699 |
| Fleet | 2,009 | 61 |
| Other | 77 | - |
| Total capital commitments | 2,824 | 769 |

19. Commitments under leases

Total future minimum lease payments under short term leases are given in the table below for each of the following periods:¹

| | 2019/20 | 2018/19 |
|---|---------------|---|
| | £'000 | (operating lease as per IAS17) £'000 |
| Obligations under short term leases for the following periods comprise: | | |
| Buildings: | | |
| Not later than one year | 3,273 | 7,701 |
| Later than one year and not later than five years | 11,007 | 24,975 |
| Later than five years | 8,015 | 20,802 |
| Total short term lease obligations | 22,295 | 53,478 |

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

| | 2019/20 | 2018/19 |
|--|---------------|----------|
| | £'000 | £'000 |
| Right-of-use liabilities for the following periods comprise: | | |
| Buildings: | | |
| Not later than one year | 3,568 | - |
| Later than one year and not later than five years | 9,527 | - |
| Later than five years | 7,311 | - |
| Total right-of-use liabilities | 20,406 | - |

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.

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

| | 2019/20 | 2018/19 |
|--|---------------|----------|
| | £'000 | £'000 |
| Opening IFRS 16 lease liability | 23,512 | - |
| Lease liability additions | 449 | - |
| Lease repayments | (3,529) | - |
| Finance charge | 426 | - |
| Peppercorn lease liability moved to reserves | (451) | - |
| Closing IFRS 16 lease liability | 20,406 | - |

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 | 2019/20 | 2018/19 |
|--|---------------|--------------|
| | £'000 | £'000 |
| Not later than one year | 5,476 | 6,713 |
| Later than one year and not later than five years | 7,410 | 1,833 |
| Later than 5 years | - | - |
| Total financial commitments | 12,886 | 8,546 |

21. Related party transactions

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

The Authority was invoiced £9k in 2019/20 (£2k in 2018/19) and there were no outstanding balances at year end (£nil in 2018/19). The Authority did not invoice DfT in 2019/20 (£608k in 2018/19) and no amounts were outstanding at year end (£nil in 2019/20).

In addition, the BTPA has had a number of transactions with other government departments and other central government bodies. Most of these transactions have been with Network Rail. The Authority was invoiced for £1,370k (£1,853k in 2018/19) by Network Rail in 2019/20 and as at 31 March 2020 there was £106k outstanding (£178k at 31 March 2019). Network Rail was invoiced by the Authority for £93,106k in 2019/20 (£91,001k in 2018/19) and as at 31 March 2020 £1,039k was outstanding (£812k at 31 March 2019). All these amounts are payable and receivable within 30 days and not subject to interest.

Paul Crowther, Chief Constable and Additional Accounting Officer, is a member of the Board of the National Police Chief's Council. The BTPA was invoiced £39k in 2019/20 (£30k in 2018/19) and there were no outstanding balances at year end (£nil in 2018/19).

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 £13k (£107k in 2018/19) in the current financial year. At 31 March 2020 no amounts were outstanding (£27k at 31 March 2019). The Home Office has invoiced the Authority for £2,630k (£1,393k in 2018/19) in the current financial year. At 31 March 2020 no amounts were outstanding (£65k at 31 March 2019).

Senior Authority Officers are also required to disclose financial and other interests. Ian Pigden-Bennett, interim Chief Executive, is a shareholder in Serco Group Plc. The Authority were invoiced by Serco Group Plc for £9k (£5k in 2018/19) in the current financial year. At 31 March 2020, no amounts were outstanding (£nil in 2018/19). The Authority invoiced Serco Group Plc £603k (£472k in 2018/19) in the current financial year. At 31 March 2020, no amounts were outstanding.

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

Mark Phillips is a member of the Transport for London Board. In the course of the year the Authority invoiced TfL for £76,851k (£73,358k in 2018/19) and was invoiced by TfL for £2k (£591k in 2018/19). As at 31 March 2020, £8,583k (£5,347k at 31 March 2019) was due from TfL. All these amounts are payable and receivable within 30 days and not subject to interest. For disclosure purposes transactions with London Underground Limited have been included in these values.

Dominic Booth is the Managing Director at Abellio Group UK. In the course of the year the Authority invoiced Abellio Group UK for £18,872k (£17,993k in 2018/19) and was invoiced by Abellio Group UK for £1,100k (£45k in 2018/19). As at 31 March 2020, no amounts were due from Abellio Group UK (£13k in 2018/19). As at 31 March 2020 nil (2018/19 £nil) was due to Abellio Group UK. All of these amounts are payable and receivable within 30 days and not subject to interest.

Dyan Crowther is the Chief Executive Officer at High Speed 1 (HS1). In the course of the year the Authority invoiced HS1 for £4,663k (£4,461k in 2018/19). As at 31 March 2020 no receivables were due to the Authority.

Dyan Crowther was also a Trustee of Railway Children until October 2018. In the prior year the Authority was invoiced by Railway Children for £10k. No amounts were outstanding as at 31 March 2020.

Jeremy Mayhew is Chairman of the City of London Finance Committee. The City of London Corporation is the Police Authority for the City of London Police. In the course of the year the Authority was invoiced for £1k (£9k in 2018/19). As at 31 March 2020, no amounts were outstanding (£nil in 2018/19) and due to City of London Police.

Jeremy Mayhew is also a Court member of the City University. In the course of the year the Authority was invoiced for £2k (£nil in 2018/19). As at 31 March 2020, no amounts were outstanding (£nil in 2018/19) and due to City University.

22. Reserves

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

| | Distributable Reserves | | Undistributable reserves | | Total |
|---|------------------------|---------------------|--------------------------|------------------|-------|
| | Retained Earnings | Revaluation reserve | Pension reserves | | |
| | £'000 | £'000 | £'000 | £'000 | |
| Opening balance at 01 April 2018 | 55,858 | 2,943 | (719,790) | (660,989) | |
| Gains/(losses) on revaluation of assets | - | 1,653 | - | 1,653 | |
| Actuarial gain/(loss) | - | - | 9,540 | 9,540 | |
| Comprehensive income for the year | (73,261) | - | - | (73,261) | |
| Transfer between reserves | 71,710 | (353) | (71,357) | - | |
| Balance at 31 March 2019 | 54,307 | 4,243 | (781,607) | (723,057) | |

| | | | | |
|---|---------------|--------------|------------------|------------------|
| Opening balance at 01 April 2019 | 54,307 | 4,243 | (781,607) | (723,057) |
| First time adoption of IFRS 16 | 415 | - | - | 415 |
| Gains/(losses) on revaluation of assets | - | 1,501 | - | 1,501 |
| Actuarial gain/(loss) | - | - | 276,270 | 276,270 |
| Comprehensive income for the year | (79,716) | - | - | (79,716) |
| Transfer between reserves | 74,473 | (483) | (73,990) | - |
| Closing balance at 31 March 2020 | 49,479 | 5,261 | (579,327) | (524,587) |

22. Reserves (continued)

Retained earnings/Distributable reserves

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

Revaluation reserve

The Revaluation reserve represents the cumulative restatements of property, plant and equipment using the relevant modified 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 (excluding administrative expenses, taxes and net interest) associated with staff employed by the Authority during the year totalled £77.16 million (2018/19: £75.39 million). In addition, there was a net interest on the pension fund of £18.12 million (2018/19: £17.73 million), leaving a net debit in relation to pensions for the year of £95.28 million (2018/19: £93.12 million). The total net pension liabilities for all staff, past and present, are shown in the SoFP. These amount to £579.33 million (2018/19 £781.61 million) net of the fair value of plan assets. HM Treasury have confirmed that the charge or credit to the SoCI arising from IAS19 should be excluded from the calculation of the amount to be reclaimed from parties with PSAs with the Authority.

The fund participates in two pension schemes, both of which are the direct responsibility of the Authority. In addition, Railways Pension Investments Limited (RPMI) have a role in relation to the management and administration of the scheme. The schemes are the British Transport Police Force Superannuation Fund (BTPFSF) for police officers, the duration of which is 20 years, and the British Transport Police Section of the Railways Pension Scheme (RPS) for other staff; duration 29 years. Both schemes cover past and present employees, and aim to be fully funded. Future market uncertainty as a result of COVID-19 may impact asset valuations which may result in further pressures to fund the pension schemes, further analysis on this can be seen in the COVID-19 section at the end of this note.

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

The net position of the schemes at 31 March 2020 were as follows:

| | 2019/20 | 2018/19 |
|---|------------------|------------------|
| | £'000 | £'000 |
| Net pension liabilities | | |
| British Transport Police Force Superannuation Fund | (479,867) | (641,527) |
| British Transport Police Section of the Railways Pension Scheme | (99,460) | (140,080) |
| | (579,327) | (781,607) |

The amounts recognised in the SoCI are as follows:

| Pension costs reflected in the SoCI | | |
|--|---------------|---------------|
| Current Service Cost – BTPFSF | 58,360 | 57,867 |
| Current Service Cost – RPS | 18,800 | 17,520 |
| Administrative expenses and taxes – BTPFSF | 2,250 | 1,910 |
| Administrative expenses and taxes – RPS | 720 | 640 |
| | 80,130 | 77,937 |

| IAS19 interest reflected in the SoCI | | |
|--|---------------|---------------|
| Net Interest – BTPFSF | 14,890 | 14,830 |
| Net Interest – RPS | 3,230 | 2,900 |
| | 18,120 | 17,730 |
| Total amount recognised in the SoCI | 98,250 | 95,667 |

* 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.

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.

| | Note | 2019/20 | 2018/19 |
|---|------|---------------|---------------|
| | | £'000 | £'000 |
| BTPFSF | | | |
| Current service cost | 23D | 58,360 | 57,867 |
| Administrative expenses and taxes | 23D | 2,250 | 1,910 |
| | | 60,610 | 59,777 |
| RPS | | | |
| Current service cost | 23D | 18,800 | 17,520 |
| Administrative expenses and taxes | 23D | 720 | 640 |
| | | 19,520 | 18,160 |
| Total I&E expenses | | 80,130 | 77,937 |
| Less employer contributions | | | |
| - Employer contributions BTPFSF | 23B | 18,270 | 18,260 |
| - Employer contributions RPS (including BRASS* matching) | 23B | 5,990 | 6,050 |
| Total employer contributions | | 24,260 | 24,310 |
| Total IAS 19 pension adjustment reported in the SoCF | | 55,870 | 53,627 |

* British rail additional superannuation scheme (BRASS).

23. British Transport Police Force Superannuation Fund

A. Change in defined benefit obligation

| | 2019/20 | 2018/19 |
|---|------------------|------------------|
| | £'000 | £'000 |
| Defined benefit obligation at end of the prior year | 1,984,607 | 1,879,120 |
| Current service cost | 58,360 | 57,867 |
| Interest expense | 46,150 | 46,480 |
| Cash flows | | |
| - Benefits payments from plan | (54,140) | (52,260) |
| - Participant contributions | 12,120 | 12,150 |
| Remeasurements | | |
| - Effect of changes in financial assumptions | (214,860) | 89,400 |
| - Effect on changes in demographic assumptions | 46,560 | (35,530) |
| - Effect of experience adjustments | (60,160) | (12,620) |
| Defined benefit obligation at end of year | 1,818,637 | 1,984,607 |

B. Changes in fair value of plan assets

| | 2019/20 | 2018/19 |
|--|------------------|------------------|
| | £'000 | £'000 |
| Fair value of plan assets at end of the prior year | 1,343,080 | 1,277,860 |
| Interest income | 31,260 | 31,650 |
| Cash flows | | |
| - Employer contributions | 18,270 | 18,260 |
| - Government support payments | - | - |
| - Participant contributions | 12,120 | 12,150 |
| - Benefits payments from plan | (54,140) | (52,260) |
| - Administrative expenses paid from plan assets | (2,250) | (1,910) |
| Return on plan assets (excluding interest income) | (9,570) | 57,330 |
| Fair value of plan assets at end of year | 1,338,770 | 1,343,080 |

C. Amounts recognised in the SoFP

| | 2019/20 | 2018/19 |
|----------------------------|----------------|----------------|
| | £'000 | £'000 |
| Defined benefit obligation | 1,818,637 | 1,984,607 |
| Fair value of plan assets | (1,338,770) | (1,343,080) |
| Net liability | 479,867 | 641,527 |

D. Components of defined benefit cost

| | 2019/20 | 2018/19 |
|--|------------------|-----------------|
| | £'000 | £'000 |
| Service cost | | |
| - Current service cost | 58,360 | 57,867 |
| Total service cost | 58,360 | 57,867 |
| Net interest cost | | |
| - Interest expense on defined benefit obligation | 46,150 | 46,480 |
| - Interest (income) on plan assets | (31,260) | (31,650) |
| Total net interest cost | 14,890 | 14,830 |
| Administrative expenses and taxes | 2,250 | 1,910 |
| Defined benefit cost included in the SoCI | 75,500 | 74,607 |
| Remeasurements (recognised in OCI) | | |
| - Effect on changes in demographic assumptions | 46,560 | (35,530) |
| - Effect of changes in financial assumptions | (214,860) | 89,400 |
| - Effect of experience adjustments | (60,160) | (12,620) |
| - Return on plan assets (excluding interest income) | 9,570 | (57,330) |
| Total remeasurements included in OCI | (218,890) | (16,080) |
| Total defined benefit cost recognised in SoCI and OCI | (143,390) | 58,527 |

The Authority expects the service cost for the year ending 31 March 2021 to be £49.61 million (31 March 2020: £58.36 million).

23. British Transport Police Force Superannuation Fund (continued)

E. Net defined benefit liability (asset) reconciliation

| | 2019/20 | 2018/19 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Net defined benefit liability (asset) | 641,527 | 601,260 |
| Defined benefit cost included in the SoCI | 75,500 | 74,607 |
| Total remeasurements included in OCI | (218,890) | (16,080) |
| Employer contributions | (18,270) | (18,260) |
| Net defined benefit liability (asset) as of end of year | 479,867 | 641,527 |

The liability has decreased from 2018/2019, primarily based on the increase in inflation rate and mortality assumptions detailed in note 23H.

F. Defined benefit obligation

| | 2019/20 | 2018/19 |
|--|------------------|------------------|
| | £'000 | £'000 |
| Defined benefit obligation by participant status | | |
| - Actives | 759,180 | 866,860 |
| - Vested deferreds | 111,320 | 113,200 |
| - Retirees | 948,140 | 1,004,550 |
| Total | 1,818,640 | 1,984,610 |

G. Plan assets

The Scheme invests in a number of multi-asset pooled funds, the breakdown of the funds is outlined below:

| | 2019/20 | 2018/19 |
|---|------------------|------------------|
| | £'000 | £'000 |
| Fair value of plan assets | | |
| - Private equity and non-exchange-traded Pooled Investment Vehicles | 358,910 | 211,440 |
| - Equities | 489,030 | 593,380 |
| - Cash and current assets | 184,710 | 119,820 |
| - Fixed Interest Securities | 82,680 | 268,230 |
| - Index Linked Securities | 90,060 | - |
| - Derivatives - Future | 4,800 | 46,360 |
| - Derivatives - FX Contracts | (18,260) | - |
| - UK Property | 87,910 | 103,850 |
| - Pooled Investment Vehicles | 52,050 | - |
| - Other | 6,880 | - |
| Total | 1,338,770 | 1,343,080 |

H. Significant actuarial assumptions

| | 2019/20 | 2018/19 |
|---|---------|---------|
| Weighted average assumptions to determine benefit obligations | | |
| Discount rate | 2.30% | 2.35% |
| Rate of price inflation (RPI) | 2.40% | 3.20% |
| Rate of price inflation (CPI) | 1.50% | 2.20% |
| Rate of increase in salaries | 2.40%* | 3.20%* |
| Rate of pension increases | 1.50% | 2.20% |

* Allowance has been made for short term pay increases of 2% each year for the 5 years following the measurement date, then increases at the assumed rate of increase in salaries thereafter.

| Assumed life expectations on retirement at age 65 | 2019/20 | 2018/19 |
|---|---------|---------|
| Retiring today - Males | 22.3 | 21.3 |
| Retiring today - Females | 24.6 | 23.7 |
| Retiring in 20 years time - Males | 23.6 | 22.7 |
| Retiring in 20 years time - Females | 26.0 | 25.2 |

I. Sensitivity analysis

| | 2019/20 | 2018/19 |
|--|--------------------------|--------------------------|
| | £ million | £ million |
| Net liability (asset), excluding any effect of asset limit | | |
| Base | 479.87 | 641.53 |
| Discount rate | | |
| - Discount rate -25 basis points | 572.40 | 743.72 |
| - Assumption | 2.05% | 2.10% |
| - Discount rate +25 basis points | 394.08 | 540.66 |
| - Assumption | 2.55% | 2.60% |
| Inflation rate | | |
| - Inflation rate -25 basis points | 397.78 | 545.03 |
| - Assumption | 1.25% | 1.95% |
| - Inflation rate +25 basis points | 567.96 | 738.42 |
| - Assumption | 1.75% | 2.45% |
| Mortality | | |
| - Mortality | 532.10 | 695.07 |
| - Assumption | Plus one year age rating | Plus one year age rating |

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

| | | Sensitivities from Base Financial Year (FY) 2020 (one item changed with all other things held constant) | | | | | | |
|---|---------------|---|---|---|---|---|---|---|
| | £ million | FY 2019 | Base FY 2020 | Minus 0.25% discount rate | Plus 0.25% discount rate | Minus 0.25% inflation rate | Plus 0.25% inflation rate | Mortality sensitivity |
| Analysis of net SoFP | | | | | | | | |
| Fair value of scheme assets | 1,343.08 | 1,338.77 | 1,338.77 | 1,338.77 | 1,338.77 | 1,338.77 | 1,338.77 | 1,338.77 |
| Present value of benefit obligations | 1,984.61 | 1,818.64 | 1,911.17 | 1,732.85 | 1,736.55 | 1,906.73 | 1,870.87 | |
| Net liability (asset), excluding any effect of asset limit | 641.53 | 479.87 | 572.40 | 394.08 | 397.78 | 567.96 | 532.10 | |
| | | Sensitivities from Base FY 2020 (one item changed with all other things held constant) | | | | | | |
| | £ million | Actual FY 2020 | Base FY 2021 | Minus 0.25% discount rate | Plus 0.25% discount rate | Minus 0.25% inflation rate | Plus 0.25% inflation rate | Mortality sensitivity |
| Analysis of projected pension cost | | | | | | | | |
| Current service cost | 58.36 | 49.61 | 45.98 | 46.01 | 54.76 | 51.53 | | |
| Interest cost | 46.15 | 41.35 | 43.66 | 39.46 | 43.37 | 42.55 | | |
| Interest income on scheme assets | 31.26 | (30.49) | (33.81) | (30.49) | (30.49) | (30.49) | | (30.49) |
| Administrative expenses and taxes | 2.25 | 2.25 | 2.25 | 2.25 | 2.25 | 2.25 | | 2.25 |
| Total pension cost before asset limit | 138.02 | 62.72 | 58.08 | 68.63 | 57.23 | 69.89 | 65.84 | |
| Actuarial assumptions | | | | | | | | |
| Discount rate | FY 2019 | 2.30% | 2.30% | 2.05% | 2.55% | 2.30% | 2.30% | 2.30% |
| Rate of RPI assumption | | 3.20% | 2.40% | 2.40% | 2.40% | 2.15% | 2.65% | 2.40% |
| Rate of CPI assumption | | 2.20% | 1.50% | 1.50% | 1.50% | 1.25% | 1.75% | 1.50% |
| Rate of salary increase* | | 3.20%* | 2.40%* | 2.40%* | 2.40%* | 2.15%* | 2.65%* | 2.40%* |
| Rate of pension increase | | 2.20% | 1.50% | 1.50% | 1.50% | 1.25%* | 1.75%* | 1.50% |
| Mortality Table | | | | | | | | |
| | | In line with the actuarial valuation as at 31 December 2015 but using the 2018 Continuous Mortality Investigation (CMI) model with long term improvements of 1.25% p.a. | 97% S3PA with improvements in line with the 2019 CMI model with long term improvements of 1.25% p.a. and an initial addition of 0.2%. | 97% S3PA with improvements in line with the 2019 CMI model with long term improvements of 1.25% p.a. and an initial addition of 0.2%. | 97% S3PA with improvements in line with the 2019 CMI model with long term improvements of 1.25% p.a. and an initial addition of 0.2%. | 97% S3PA with improvements in line with the 2019 CMI model with long term improvements of 1.25% p.a. and an initial addition of 0.2%. | 97% S3PA with improvements in line with the 2019 CMI model with long term improvements of 1.25% p.a. and an initial addition of 0.2%. | 97% S3PA with improvements in line with the 2019 CMI model with long term improvements of 1.25% p.a. and an initial addition of 0.2%. |

Notes: All figures are in millions. These initial pension expense forecasts are highly sensitive to changes in market conditions and should not be relied upon without further advice.

* Allowance has been made for short term pay increases of 2% each year for the 5 years following the measurement date, then increases at the assumed rate of increase in salaries thereafter.

British Transport Police Section of the Railways Pension Scheme**A. Change in defined benefit obligation**

| | 2019/20 | 2018/19 |
|---|----------------|----------------|
| | £'000 | £'000 |
| Defined benefit obligation at end of the prior year | 307,500 | 268,530 |
| Current service cost | 18,800 | 17,520 |
| Interest expense | 7,220 | 6,720 |
| Cash flows | | |
| - Benefits payments from plan | (4,410) | (3,930) |
| - Participant contributions | 3,960 | 4,010 |
| Remeasurements | | |
| - Effect of changes in financial assumptions | (60,780) | 17,600 |
| - Effect of changes in experience adjustments | (130) | 1,300 |
| - Effect on changes in demographic assumptions | 2,000 | (4,250) |
| Defined benefit obligation at end of year | 274,160 | 307,500 |

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

| | 2019/20 | 2018/19 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Fair value of plan assets at end of the prior year | 167,420 | 150,000 |
| Interest income | 3,990 | 3,820 |
| Cash flows | | |
| - Employer contribution (including BRASS matching) | 5,990 | 6,050 |
| - Participant contributions | 3,960 | 4,010 |
| - Benefits payments from plan | (4,410) | (3,930) |
| - Administrative expenses paid from plan assets | (720) | (640) |
| Return on plan assets (excluding interest income) | (1,530) | 8,110 |
| Fair value of plan assets at end of year | 174,700 | 167,420 |

C. Amounts recognised in the statement of financial position

| | 2019/20 | 2018/19 |
|----------------------------|---------------|----------------|
| | £'000 | £'000 |
| Defined benefit obligation | 274,160 | 307,500 |
| Fair value of plan assets | (174,700) | (167,420) |
| Net liability | 99,460 | 140,080 |

D. Components of defined benefit cost

| | 2019/20 | 2018/19 |
|--|-----------------|---------------|
| | £'000 | £'000 |
| Service cost | | |
| Current service cost | 18,800 | 17,520 |
| Total service cost | 18,800 | 17,520 |
| Net interest cost | | |
| - Interest expense on defined benefit obligation | 7,220 | 6,720 |
| - Interest (income) on plan assets | (3,990) | (3,820) |
| Total net interest cost | 3,230 | 2,900 |
| Administrative expenses and taxes | 720 | 640 |
| Defined benefit cost included in the SoCI | 22,750 | 21,060 |
| Remeasurements (recognised in OCI) | | |
| - Effect of changes in financial assumptions | (60,780) | 17,600 |
| - Effect of experience adjustments | (130) | 1,300 |
| - Return on plan assets (excluding interest income) | 1,530 | (8,110) |
| - Net measurement regains / (losses) - demographic | 2,000 | (4,250) |
| Effect of asset limitation and IAS minimum funding requirement | - | - |
| Effect of asset limitation and IAS minimum funding requirement | - | - |
| Total remeasurements included in OCI | (57,380) | 6,540 |
| Total defined benefit cost recognised in SoCI and OCI | (34,630) | 27,600 |

The Authority expects the service cost for the year ending 31 March 2021 to be £15.43 million (31 March 2020: £18.80 million).

E. Net defined benefit liability (asset) reconciliation

| | 2019/20 | 2018/19 |
|--|---------------|----------------|
| | £'000 | £'000 |
| Net defined benefit liability (asset) at start of year | 140,080 | 118,530 |
| Effect of changes in demographic assumptions | 22,750 | 21,060 |
| Total defined benefit cost recognised in the SoCI and OCI | (57,380) | 6,540 |
| Employer contributions | (5,990) | (6,050) |
| Net defined benefit liability (asset) as of end of year | 99,460 | 140,080 |

The liability has decreased from 2018/2019, primarily based on the drop in inflation rate and mortality assumptions detailed in note 23H.

F. Defined benefit obligation

| | 2019/20 | 2018/19 |
|---|----------------|----------------|
| | £'000 | £'000 |
| Defined benefit obligation by participant status | | |
| - Actives | 179,540 | 194,540 |
| - Vested deferreds | 63,910 | 77,570 |
| - Retirees | 30,710 | 35,390 |
| Total | 274,160 | 307,500 |

G. Plan assets

The Scheme invests in a number of multi-asset pooled funds, the breakdown of the funds is outlined below:

| | 2019/20 | 2018/19 |
|---|----------------|----------------|
| | £'000 | £'000 |
| Fair value of plan assets | | |
| - Private equity and non-exchange-traded Pooled Investment Vehicles | 45,540 | 22,120 |
| - Equities | 69,910 | 81,210 |
| - Cash and current assets | 25,750 | 16,890 |
| - Fixed Interest Securities | 8,240 | 26,550 |
| - Index Linked Securities | 7,460 | |
| - Derivatives- Future | 680 | 6,370 |
| - Derivatives- FX Contracts | (2,590) | |
| - UK Property | 12,320 | 14,280 |
| - Pooled Investment Vehicles | 7,390 | - |
| - Other | - | - |
| Total | 174,700 | 167,420 |

H. Significant actuarial assumptions

| Weighted average assumptions to determine benefit obligations | 2019/20 | 2018/19 |
|---|---------|---------|
| Discount rate | 2.30% | 2.35% |
| Rate of price inflation (RPI) [^] | 2.40% | 3.20% |
| Rate of price inflation (CPI) [^] | 1.50% | 2.20% |
| Rate of increase in salaries | 2.40%* | 3.20%* |
| Rate of pension increases | 1.50% | 2.20% |

| Assumed life expectancies on retirement at age 65 are | 2019/20 | 2018/19 |
|---|---------|---------|
| Retiring today - Males | 20.4 | 20.1 |
| Retiring today - Females | 23.1 | 22.8 |
| Retiring in 20 years time - Males | 21.7 | 21.4 |
| Retiring in 20 years time - Females | 24.6 | 24.3 |

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

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

I. Sensitivity analysis

| | 2019/20 | 2018/19 |
|---|--------------------------|--------------------------|
| | £ million | £ million |
| Net liability (asset), excluding any effect of asset limit | | |
| Base | 99.46 | 140.08 |
| Discount rate | | |
| - Discount rate -25 basis points | 119.69 | 162.54 |
| - Assumption | 2.05% | 2.10% |
| - Discount rate +25 basis points | 80.83 | 117.71 |
| - Assumption | 2.55% | 2.60% |
| Inflation rate | | |
| - Inflation rate -25 basis points | 80.78 | 118.34 |
| - Assumption | 2.15% | 2.95% |
| - Inflation rate +25 basis points | 119.64 | 161.68 |
| - Assumption | 2.65% | 3.45% |
| Mortality | | |
| - Mortality | 108.68 | 148.61 |
| - Assumption | plus one year age rating | plus one year age rating |

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

| | Sensitivities from Base Financial Year (FY) 2020 (one item changed with all other things held constant) | | | | | | |
|---|--|---------------|---------------|--------------------------|----------------------------|---------------------------|-----------------------|
| | £ million | | Base FY 2020 | Plus 0.25% discount rate | Minus 0.25% inflation rate | Plus 0.25% inflation rate | Mortality sensitivity |
| Analysis of net SoFP | FY 2019 | 140.08 | 99.46 | 80.83 | 80.78 | 119.64 | 108.68 |
| Fair value of plan assets | 167.42 | 174.70 | 174.70 | 174.70 | 174.70 | 174.70 | 174.70 |
| Present value of benefit obligations | 307.50 | 274.16 | 294.39 | 255.53 | 255.48 | 294.34 | 283.38 |
| Net liability (asset), excluding any effect of asset limit | 140.08 | 99.46 | 119.69 | 80.83 | 80.78 | 119.64 | 108.68 |

| | Sensitivities from Base Financial Year (FY) 2020 (one item changed with all other things held constant) | | | | | | |
|--|--|--------------|--------------|--------------------------|----------------------------|---------------------------|-----------------------|
| | £ million | | Base FY 2021 | Plus 0.25% discount rate | Minus 0.25% inflation rate | Plus 0.25% inflation rate | Mortality sensitivity |
| Analysis of projected pension cost | Actual FY 2020 | 22.75 | 18.37 | 16.68 | 16.64 | 20.28 | 19.21 |
| Current service cost | 18.80 | 15.43 | 17.04 | 13.96 | 14.11 | 16.86 | 16.04 |
| Interest cost | 7.22 | 6.30 | 6.03 | 6.51 | 5.87 | 6.76 | 6.51 |
| Interest income on scheme assets | (3.99) | (4.08) | (3.62) | (4.51) | (4.06) | (4.06) | (4.06) |
| Administrative expenses and taxes | 0.72 | 0.72 | 0.72 | 0.72 | 0.72 | 0.72 | 0.72 |
| Total pension cost before asset limit | 22.75 | 18.37 | 20.17 | 16.68 | 16.64 | 20.28 | 19.21 |

| | Sensitivities from Base Financial Year (FY) 2020 (one item changed with all other things held constant) | | | | | | |
|------------------------------|--|---------------|---------------|--------------------------|----------------------------|---------------------------|-----------------------|
| | £ million | | Base FY 2020 | Plus 0.25% discount rate | Minus 0.25% inflation rate | Plus 0.25% inflation rate | Mortality sensitivity |
| Actuarial assumptions | FY 2019 | 3.20%* | 2.40%* | 2.40%* | 2.15%* | 2.65%* | 2.40%* |
| Discount rate | 2.35% | 2.30% | 2.05% | 2.55% | 2.30% | 2.30% | 2.30% |
| Rate of RPI assumption | 3.20% | 2.40% | 2.40% | 2.40% | 2.15% | 2.65% | 2.40% |
| Rate of CPI assumption | 2.20% | 1.50% | 1.50% | 1.50% | 1.25% | 1.75% | 1.50% |
| Rate of salary increase | 3.20%* | 2.40%* | 2.40%* | 2.40%* | 2.15%* | 2.65%* | 2.40%* |

| | Sensitivities from Base Financial Year (FY) 2020 (one item changed with all other things held constant) | | | | | | |
|------------------------|--|--------------|--------------|--------------------------|----------------------------|---------------------------|-----------------------|
| | £ million | | Base FY 2020 | Plus 0.25% discount rate | Minus 0.25% inflation rate | Plus 0.25% inflation rate | Mortality sensitivity |
| Mortality Table | Actual FY 2020 | 18.80 | 15.43 | 17.04 | 14.11 | 16.86 | 16.04 |
| | | 7.22 | 6.30 | 6.03 | 5.87 | 6.76 | 6.51 |
| | (3.99) | (4.08) | (3.62) | (4.51) | (4.06) | (4.06) | (4.06) |
| | 0.72 | 0.72 | 0.72 | 0.72 | 0.72 | 0.72 | 0.72 |
| | 22.75 | 18.37 | 20.17 | 16.68 | 16.64 | 20.28 | 19.21 |

In line with the actuarial valuation as at 31 December 2016 but using the 2019 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 2016 but using the 2019 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 2016 but using the 2019 CMI model with long term improvements of 1.25% p.a. and an initial addition of 0.2%.

Notes: All figures are in millions. These initial pension expense forecasts are highly sensitive to changes in market conditions and should not be relied upon without further advice.
* Allowance has been made for short term pay increases of 2% per year for the first 5 years after the measurement date. Then increases as stated above thereafter.

Impact of COVID-19

We are aware that our analysis may be affected by risks arising from the impact of the COVID-19 pandemic. At this stage, the full impact of the COVID-19 pandemic is not known and will remain uncertain until further evidence has been established. No margins have been applied to the analysis to reflect these risks.

In particular, values in these accounts at 31 March 2020 may not fully reflect the impact of the current COVID-19 pandemic as the Private Equity and Infrastructure Funds have a lag in terms of their valuation.

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, RPML, and the control over economic benefits for BTPA's section 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 RPML pooled funds.

Analysis of scheme assets:

| | 2019/20 | | | | 2018/19 |
|---|----------------------|----------------------|----------------------|--------------------|--------------------|
| | Fair value | | | | Total |
| British Transport Police Force Superannuation Fund | Level 1 £ million | Level 2 £ million | Level 3 £ million | Total £ million | Total £ million |
| Private equity and non-exchange-traded Pooled Investment Vehicles | - | - | 358.91 | 358.91 | 211.44 |
| Equities | 475.21 | 0.07 | 13.75 | 489.03 | 593.38 |
| Cash and current assets | 184.71 | - | - | 184.71 | 119.82 |
| Fixed Interest Securities | 61.60 | 13.13 | 7.95 | 82.68 | 268.23 |
| Index Linked Securities | 90.06 | - | - | 90.06 | |
| Derivatives- Future | 4.80 | - | - | 4.80 | 46.36 |
| Derivatives- FX Contracts | - | (18.26) | - | (18.26) | |
| UK Property | - | - | 87.91 | 87.91 | 103.85 |
| Pooled Investment Vehicles | - | 52.05 | - | 52.05 | - |
| Other | 6.88 | - | - | 6.88 | - |
| Fair value of plan assets | 823.26 | 46.99 | 468.52 | 1,338.77 | 1,343.08 |
| Present value of funded obligations | - | - | - | (1,818.64) | (1,984.61) |
| Net liability | - | - | - | (479.87) | (641.53) |

| | 2019/20 | | | | 2018/19 |
|---|----------------------|----------------------|----------------------|--------------------|--------------------|
| | Fair value | | | | |
| Railway Pension Scheme | Level 1 £ million | Level 2 £ million | Level 3 £ million | Total £ million | Total £ million |
| Private equity and non-exchange-traded Pooled Investment Vehicles | - | - | 45.54 | 45.54 | 22.11 |
| Equities | 67.69 | 0.01 | 2.21 | 69.91 | 81.21 |
| Cash and current assets | 25.75 | - | - | 25.75 | 16.89 |
| Fixed Interest Securities | 6.33 | 1.17 | 0.74 | 8.24 | 26.56 |
| Index Linked Securities | 7.46 | - | - | 7.46 | |
| Derivatives- Future | 0.68 | - | - | 0.68 | 6.37 |
| Derivatives- FX Contracts | - | (2.59) | - | (2.59) | |
| UK Property | - | - | 12.32 | 12.32 | 14.28 |
| Pooled Investment Vehicles | - | 7.39 | - | 7.39 | - |
| Other | - | - | - | - | - |
| Fair value of plan assets | 107.90 | 5.98 | 60.81 | 174.70 | 167.42 |
| Present value of funded obligations | - | - | - | (274.16) | (307.50) |
| Net liability | - | - | - | (99.46) | (140.08) |

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 1% change across specific Level 3 asset classes and the total asset portfolio for each scheme.

| | 2019/20 | | |
|---|--|---|-----------------------------|
| British Transport Police Force Superannuation Fund | Percentage change in asset class value | Percentage change in total value of plan assets | Change in deficit £ million |
| Private equity and non-exchange-traded Pooled Investment Vehicles | +1% | 0.27% | (3.59) |
| | -1% | -0.27% | 3.59 |
| UK Property | +1% | 0.07% | (0.88) |
| | -1% | -0.07% | 0.88 |
| Total plan assets | +1% | 1.00% | (13.39) |
| | -1% | -1.00% | 13.39 |

| | 2019/20 | | |
|---|--|---|-----------------------------|
| Railway Pension Scheme | Percentage change in asset class value | Percentage change in total value of plan assets | Change in deficit £ million |
| Private equity and non-exchange-traded Pooled Investment Vehicles | +1% | 0.26% | (0.46) |
| | -1% | -0.26% | 0.46 |
| UK Property | +1% | 0.07% | (0.12) |
| | -1% | -0.07% | 0.12 |
| Total plan assets | +1% | 1.00% | (1.75) |
| | -1% | -1.00% | 1.75 |

Mortality assumptions

Future mortality expectations are likely to need to be considered once the effects on the underlying population health are known. 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 above tables for the sensitivity of the results to changes in mortality assumptions.

Impact of COVID-19 on the discount rate

The COVID-19 pandemic led to an increased level of volatility in the discount rate which is used to value the pension scheme deficit. From 1 March to 30 April 2020, the discount rate for both pension schemes

fluctuated between a lower and upper bound of 1.55% and 2.85%. If both schemes were valued using this lower bound rate of 1.55% the net liability would (increase)/decrease by approximately (£300m) for BTPFSF and (£65m) for RPS. If both schemes were valued using the higher bound rate of 2.85% the net liability would (increase)/decrease by approximately £180m for BTPFSF and £40m for RPS.

24. Events occurring after the reporting date

There are no events to report. The date the accounts are authorised for issue is the date that they are certified by the Comptroller and Auditor General.

