BTPA
British Transport Police Authority

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Notes of the Meeting

Finance Group

Thursday 19th October 2011, 10.00 am – 12.00am

at The Forum

Present:

Mr Jeroen Weimar (Chair)

Mrs Wendy Towers

Mr David Franks

In attendance:

Ms Katherine Hogan, PSA Administrator (BTPA)

Mrs Liz Pike, Finance Director (BTPA)

Mr Andrew Figgures, Chief Executive (BTPA)

Mrs Francesca Okosi, Director of Corporate Resources (BTP)

Mr Simon Hart, Head of Finance (BTP)

Mr Leigh Stringer, Head of Corporate Services (BTP)

Apologies:

Mr Patrick Butcher

37/2011 Welcome
Non-Agenda

38/2011 Minutes of Meeting 12th July 2011
Agenda Item 1
The minutes were approved.

39/2011 Matters Arising
Agenda Item 2
Item 2 – No formal letter has been received so far, Authority FD is pursuing and has been informed that the letter is with Steve Gooding, DfT and is expected to be issued imminently. The Chair asked to be informed if it has not been received by mid November..
Item 7 – The capital expenditure request for Disaster Recovery will be submitted to the Strategy Group as the proposals were now nearing £1m.
Item 8 – An invoice from 2010 remained unpaid. It was explained to be caused by a Purchase Order issue, where the wrong PO had been paid

and closed off. A new PO is currently going through LU's administration process.
Item 9 - It was agreed that although no EPSA was currently in existence, there would be ongoing proof of the relationship between TfL and BTP. This was to be investigated by BTPA.

Actions

- BTPA to advise the Chair of if the formal notification of DEL is not received within 4 weeks.
- BTP to advise the Chair if item 8 remains outstanding in 2 weeks time.

40/2011 BTP Quarter 2 2011/12 Report

Agenda Item 3

In relation to Operation Bench it was explained that non-police overtime referred to overtime carried out by Police Staff such as Control Room staff. BTP agreed to investigate the level of overtime carried out by Finance and Corporate Services department.

On Operation Bench it was explained that the decision to deploy resources was made at a Gold Group meeting at which the first priority is operational and the second is financial. It is hoped that funding to cover the cost of this operation will be provided by the DfT in time, however the BTP are making preparations to absorb this extra cost in case assistance is not received. It is hoped that in the future the BTP will be able to draw from a central sum as Home Office forces do. It was noted that such sums are not requested from the department often as the BTPA hold a central contingency for out of the ordinary events such a major rail crashes. The last request made to the DfT related to costs relating to the 7th of July London bombings. The current level of provision for contingency is £3m. Without the additional costs for Operation Bench savings had been identified to be carried forward and potentially used to contribute towards savings required in the future.

The Authority noted that despite the overtime costs for Operation Bench and Regal there was still an issue around using overtime to cover every day functions, such as cable theft operations.

On the other expenditure overspends the Director of Corporate Resources (BTP) had organised to meet with departmental heads to discuss the historical run rate issue which was identified as the cause of the £225k overspend on Premises. The BTPA commended BTP on the £660k underspend on non staff costs as at the end

On Establishment data the BTPA noted that the BTP were now in a much better position and asked if analysis was being carried out into the establishment required to run the BTP effectively rather than the establishment currently held, and to establish a baseline requirement. The BTP explained that there were no plans currently to carry out such analysis, but that the deputy Chief Constable debates this point whenever the Resource Panel meets, and that this was something that he and the Chief Constable were aware of and considered regularly.

On the Capital Programme all projects were said to be on track and were not expected to require further approval from the BTPA. The BTPA requested that the London North Custody Suite be included in the next report to the Authority. The BTPA also requested a report outlining the full plan of business cases requiring approval from the full Authority on the next 18 months.

On the firearms project, the £1.2m budget continued to be held in management reserves until the certification issue was settled. On the CCTV and Ebury Bridge projects it was explained that these projects are match funded by Network Rail and, as such, there was little risk going forward.

The BTPA requested that the cash flow show greater detail in future to enable the BTPA to have a greater understanding of the cash flow position, with a comparison against previous forecast and reconciling to the Cash balance on the Balance Sheet presented to the finance group.

Actions

- BTP to investigate the level of overtime carried out by Finance and Corporate Services department
- BTP to provide a report outlining the full plan of business cases requiring approval from the full Authority on the next 18 months
- BTP to include greater detail on cash flow going forward

41/2011 BTPA Quarter 2 2011/12 Report
Agenda item 4

The Executive outlined that a deal had now been reached on office rent. Where the landlord had proposed that the rent be increased by 20% negotiations had been successful in reducing this increase to 10% and also fixing it for the next five years. In the event that the BTPA chose to leave the Forum it was expected that negotiating out of the contract would not be problematic as there was high demand on space from other tenants in the building.

It was questioned whether, rather than budget a large amount for legal fees, the BTPA could make use of the solicitor which is now retained by BTP on a part-time basis. The Executive explained that this had been considered, but that Weightmans have carried out considerable work on the charges made to PSA holders since the first arbitration and, as such, have a great deal of knowledge on this subject. Legal fees also covered employment advice and it would be inappropriate to use BTP solicitors for employment issues around the SCT and BTPA.

On debtors, two were highlighted for discussion. Freightliner owed £195k nd this debt is in line with the agreement made with the BTPA at the time of the JR negotiations. The London Underground debt of £541k from 2010 continued to be pursued as discussed earlier in the meeting

42/2011 BTP – Capital Programme Prioritisation

Agenda Item 5

The BTPA noted the paper received and suggested improvements to be considered. A further paper was requested outlining details such as whether individual projects were in the forecast made at the start of the year and were budgeted for, what the level of required approval was, forward visibility of projects expected to be added and a closing review report on projects to judge whether they have met the objectives set out in the original business case. It was also recommended that a specific line for contingency in the project be included to make it more visible and that the level of contingency in each project e reviewed as there was no consistent policy on its level and in the London North Custody unit, the budgeted level was set too low.

Actions

- BTP to provide a further paper on the Capital Programme

43/2011 BTP - End of Project Report – London North Custody

Agenda item 6

The BTP explained that the company contracted to build the London North Custody Unit had gone into liquidation. All work was now completed and that the final payment of around £87k may be settled during the administration phase; however the 'Defects Period' will not end until February 2012 by which time the administration of the company may be dissolved. All operational objectives had been achieved.

It was recognised that the administrators could potentially value the work done at a higher sum, which was a financial risk. However the project was one of the smaller projects that Britspace had been handling up until the time of liquidation.

BTP currently set low contingency amounts, £57k in the case of the LN Custody Suite, as variations after the approval of the contract are normally very few. The BTPA stated that in future contingency levels should be set nearer to 10-15% of the cost of the project rather than any variations taking the project into overspend.

It was noted that the impact of requiring an electricity substation could not have been foreseen as the electricity supply demands had not been assessed at the contract stage.

The BTPA expressed that the End of Project Report, which assessed the project on the basis of operational performance, required more detail. It was requested that in future a 3-4 month snapshot of performance be used, rather than one week, and should include the financial case made before approval as well as at the end of the project.

Actions

- BTP to produce a paper quantifying the risks associated with Britspace going into administration and to suggest how to approach the administrators.

44/2011 Any other business

The Chair requested that the future agenda's detail items to be discussed in future meetings

Date of next meeting: 5th December 2011

Signed.....

Chairman