

Report to: Finance Committee
Agenda: 3
Date: 3 June 2014
Subject: Terms of Reference and Work Plan for
2014/15
Sponsor: Authority Finance Director
For: Approval

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1. Purpose of paper

- 1.1 To provide the Finance Committee with the updated terms of reference and to review and approve the proposed work plan for 2014/15.

2. Background

- 2.1 At the Authority meeting in March 2013 the new Corporate Code of Governance was approved which included the revised terms of reference for the Finance Committee.
- 2.2 The terms of reference for the Finance Committee need to be reviewed annually to ensure that they are still appropriate and relevant.

3. Terms of reference

- 3.1 The terms of reference for the Finance Committee can be found in Appendix A. The terms of reference have been updated to reflect the new chair and members of the Finance Committee and the new requirements of the Police Service Agreements.

4. Work plan for 2014/15

- 4.1 The work to be completed in the 2014/15 Finance Committee meetings is as follows:

July Finance Committee Meeting

- Quarter 1 performance against budget
- Key issues identified by BTP and Authority analysts
- Analysis of risks against contingency reserves
- Workforce planning
- Pensions - update on new pensions strategy

- Force Project updates
- Accelerated Information Strategy Programme update
- PSA Charges - 2013/14 Actual

October Finance Committee Meeting

- Quarter 2 performance against budget
- Key issues identified by BTP and Authority analysts
- Initial budget proposal review
- Force Project updates
- Accelerated Information Strategy programme update
- Analysis of risks against contingency reserves

December Finance Committee Meeting

- Approval of final budget proposals for recommendations to the Authority for both the Force and BTPA.
- Review and update on the PSA Charging Model run for 2015/16 provisional charges
- Accelerated Information Strategy Programme update
- Pensions - update on new pensions strategy

January Finance Committee Meeting

- Quarter 3 performance against budget
- Key issues identified by BTP and Authority analysts
- Review progress of the PSA Charging Model Run for 2015/16 provisional charges
- Service Improvement Board update
- Capital Programme - Presentation of proposed budget
- Proposed London Underground budget
- Analysis of risks against contingency reserves

March Finance Committee Meeting

- Review and approval of the PSA charges for 2015/16 provisional charges
- Report on the process and verification performed during the calculations of the charges
- Final Review of the BTP Revenue Budget and allocation to Areas and FHQ Departments including a workforce profile
- Analysis of total cost to be used for calculating core PSA charges in 2015/16 onwards

5. Recommendations

- 5.1 It is recommended that the Finance Committee review and agree the terms of reference
- 5.2 It is recommended that the Finance Committee review and agree the proposed work plan for 2014/15

Appendix A

Terms of Reference for Finance Committee

Membership

The members of the Finance Committee are:

Dominic Booth (Chair)

Bill Matthews

Stella Thomas

Other attendees may be:

Authority Chief Executive

Authority Finance Director (Executive lead)

Authority Income and Compliance Manager

Authority Charging Model – Management Accountant (minutes)

Director of Capability and Resources (Force Executive Lead)

BTP Head of Finance

Reporting

The Finance Committee will formally report in writing to the Authority after each meeting providing a quarterly budget report and highlighting any other significant matters arising.

The Finance Committee will provide the Authority and Accounting Officer with an Annual Report, timed to support finalisation of the annual provisional PSA charges, summarising and explaining any significant movements for individual PSA holders.

The Finance Committee will provide the Authority and Accounting Officer the actual PSA charges, summarizing and explaining any significant movements for individuals PSA holders.

The Finance Committee will provide a report to each December Authority meeting presenting and recommending the final budget for the next financial year.

Responsibilities

- Advising on the preparation of the annual budget
- Ensuring appropriate consultation in the preparation of the budget
- Assessing financial reports and ensuring the effective review by the Authority of financial performance
- Reviewing the annual PSA charges (both provisional and actual) and understanding the reasons for any significant the movements
- Assessing progress against delivery and spend on capital projects and major revenue schemes approved by the Authority in accordance with the scheme of delegation
- Examining post completion reports for all capital and major revenue schemes approved by the Authority in accordance with the scheme of delegation

Milestones

- Quarterly summary of spend versus budget to be prepared and sent to the Authority members for review and comment
- In setting its strategy in December the Authority will also set a strategic framework within which the next budget will be prepared

Meetings

The Finance Committee will meet at least 6 times a year. The Chair of the Committee may convene additional meetings, as they deem necessary.