

## Notes of the Meeting

### Finance Committee

Tuesday 16 July 2013, 14:00 – 16:00

at The Forum

The Forum  
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#### Present:

Mr Jeroen Weimar (Chair)

Mr Bill Matthews

#### In attendance:

Mr Andrew Figgures, Chief Executive (BTPA)

T/ACC Mark Newton, Acting Director of Corporate Resources (BTP)

Mr Barry Hutton, Temporary Head of Finance (BTP)

Ms Vicky Tanner, PSA Manager (BTPA)

#### Apologies:

Mr Anton Valk

Mrs Liz Pike, Finance Director (BTPA)

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### 33/2013 Welcome

#### Non-Agenda

Mr Weimar welcomed Barry Hutton to meeting. T/ACC Newton explained that Simon Hart is current project managing the Finance and Corporate Services Review and Barry is Temporary Head of Finance.

### 34/2013 Minutes of Meeting: 31 May 2013

#### Agenda Item 1

The minutes from the previous meeting were reviewed and approved.

### 35/2013 Matters Arising

#### Agenda Item 2

Action 1 - BTP Budget and MTFP - The initial update on the MTFP assumptions and impacts will be presented to the Strategy group in July and the financial aspect will be presented to back to the Finance Committee in October.

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The remaining actions were either covered in the agenda elsewhere or are due to be presented at later meetings in the year.

### **36/2013 BTP Quarter 1 Report 2013/14**

#### Agenda Item 3

T/ACC Newton presented the paper to the Committee and outlines its contents including the revised Capital Programme for 2013/2014. The amended Capital Programme reflects the changes require supporting the force restructure and its impacts on the Estates programme for 2013/14.

Mr Hutton provided further detail on the current budget position as at the end of period 3 and explained to the Committee the challenges BTP will have. The budget already includes £3m worth of savings and following each of the period finance reviews savings identified are transferred back central funds. At the end of period 3 BTP were £25k under-spent. BTP were also under-spent on police staff and this is due to the current vacancy gap. BTP provided reassurance to the Committee that the current vacancy gap would not impact on operational delivery. The finance teams are working with the work force planning teams to re-profile spend against establishment.

T/ACC Newton provided an overview to the Committee on the current internal recruitment process. BTP are currently running with a 6% vacancy gap and approval for permanent recruitment is very limited due to the current change programme and BTP wanting to minimise any potential redundancy payments. BTP is expecting to be able to start recruiting into the new structure during October / November 2013. But spend on police staff overtime is over budget and this can be attributed to providing cover for the vacant posts.

The Committee asked for reassurance that the projected over-spend will be able to be corrected during the year and this was provided by BTP.

Mr Hutton provided a detailed update to the Committee on the changes that have been made to the 2013/2014 Capital Programme. From the original programme the significant change is the removed for the London South Custody suite. Also as a consequence of the Force restructure there will be a rationalising of the Estate and this is reflected in the changes to the programme.

BTP acknowledges that the Committee were unhappy with the back-loading of the 2012/2013 Capital Programme and are trying to ensure

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this does not occur with the 2013/2014 programme. The programme will be subject to an element of back loading due to the timing of the restructure. The 2013/2014 programme is based on best estimates at this time and these will be revised and confirmed as the project moves forward. Once a decision has been made in relation to the structure within London the programme can be revised to reflect it. This may also mean that some of the 2013/2014 could overrun into the 2014/2015 programme. The year to date spend was not presented at quarter one but it was requested that the normal reporting was resumed from quarter two.

BTP are currently considering the impact of the removal of the London South Custody from the programme and considering what options are available to them including collaboration.

T/ACC Newton explained to the Committee that the new technology strategy and associated timeline will be presented to the Strategy group, and this will be impacted by the restructure.

The Chair asked why within the Technology element of the revised Capital Programme an additional £2m worth of projects were now included that were absent from the original programme. T/ACC Newton confirmed that this is due to a change in direction from the new management structure within Technology and the new 5 year strategy.

BTP presented the cash-flow to the Committee, but since the report was circulated the outstanding payment from London Underground has been received and the cash flow will be amended for presenting to the next meeting in October.

**Actions**

- BTP to present the updated Estate Programme / Strategy to the Committee at the budget setting Committee meeting in November.
- BTP to include the Capex spend separately within the cash flow appendix and to report and year to date spend against budget in the Capital profiling with a forecast forward of the phasing of the spend.

**37/2013 BTPA Quarter 1 Report 2013/14**

## Agenda item 4

Ms Tanner presented to the Committee the current budget position for BTPA. At the end of period 3 BTPA were £11.5k over spent. This overspend was across a number of areas including recruitment, legal fees, pensions advice / consultancy and property costs. The variance arose principally because of timing issues on the budgeted spend

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and this will be rephrased for quarter 2. Additional funds will be added to temporary staff and consultancy to support on going work within the Authority on the pensions strategy. These will be funded through savings in staff costs and solicitors fees.

**38/2013 Annual EPSA Report**

## Agenda Item 5

T/ACC Newton presented the paper to the Committee. The paper set out the EPSA income and the services the contract provides. Each EPSA contains slightly different terms, and if the EPSA holder has a core PSA then the EPSA does not include any additional contributions for overheads. The EPSAs are locally negotiated and are reviewed by the Authority. T/ACC Newton provided reassurance to the Committee that any vacancy gaps with these posts are kept to a minimum and are managed proactively.

Ms Tanner circulated an updated EPSA listing which included the start and end dates for each agreement, along with the notice period. DfT have confirmed that they do not consider EPSAs as key contracts and that they are deemed as commercial arrangements. Therefore when a franchise ends there is no requirement for the new franchise holder to take on the agreement. The risk associated with this was highlighted to the Committee as BTP would have to either absorb the resources or make them redundant. Ms Tanner highlighted the current issue with the Southern EPSA still being in draft format and that the HS1 contract is due to expire at the end of July.

**Actions**

- BTP to present the EPSA aged debtors to the next Finance Committee.

**39/2013 Workforce Planning Update**

## Agenda Item 6

T/ACC Newton outlined to the Committee the new process that BTP has adopted to better manage their recruitment of resources and to ensure that the vacancy gaps can be minimised. The new process will assist with the bulk recruitment that occurs during the year and allows for the bulk recruiting to be adjusted if required. This bulk recruitment is for probationers, PCSOs and gaolers. If the vacancy gaps needs to be reduced or filled quicker BTP are able to go to the transfer market but this is a more expensive recruitment method. The intake for July has been agreed, along with the intake for September. The September intake can be adjusted as the offer letters are not

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sent out until one month before. The 'dolphin' effect will become more apparent as the year progresses.

**40/2013 Force Projects Update**

Agenda Item 7

T/ACC Newton presented the paper and provided an overview of the function and responsible of Service Improvement Board. Currently SIB are over-seeing 19 Force-wide projects. T/ACC Newton provide an over-view of the current position on the disaster recovery and CCTV projects, both of which have been previously presented to the Finance Committee for recommendation and approval.

For the disaster recovery project, BTP are in the process of seeking CJX certification before the connection can be turned on and tested. This is being actively progressed within BTP.

T/ACC Newton provided the Committee with an update on the current progress of E-Case and E-Custody and the associated supplier issues. BTP have had a number of meetings with the supplier to resolve the issues because currently neither system is fully functional. The systems would allow BTP to transfer files electronically to the CPS and in relation to E-Custody have one data entry point. BTP are one of three forces that do not currently transfer files electronically to the CPS.

BTP have sought legal advice and have agreed a recovery plan with the suppliers. The recovery plan sets out a number of way points that are required to be met and this is being actively monitored. BTP are also currently assessing what other systems are available or methods that can be used to transfer the files electronically.

BTP acknowledged that they need to take a stronger stance on their commercial contract management and this is being addressed internally.

**41/2013 Contingency Reserve**

Agenda Item 8

Ms Tanner presented the paper to the Committee. The contingency reserve has increased for 2013/14 due to additional funds being transferred by both BTP and the Authority at the end of the year. The contingency reserve is currently at £3,486k. Based on the mid-point value, the value associated with the strategic risks is £2.8m which is £0.7m lower than current reserve. Ms Tanner highlighted the new

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risks that have been added to the registered and their associated costs. The risk concerning the status of EPSAs was highlighted to the Committee.

T/ACC Newton explained to the Committee the new strategic risk associated with progress against the Information Assurance Maturity Model. Reassurance was provided to the Committee that progress is being made in mitigating this and that it is expected to be closed during 14/15.

**42/2013 Any other business**

Agenda Item 9

None.

**Date of next meeting: 18 October 2013**

Signed.....

Chairman