

Minutes

Finance Committee

Wednesday 16 July 2014, 13:00 – 16:00

at The Forum

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Present:

Dominic Booth (Chair)

Stella Thomas

Bill Matthews

In attendance:

Andrew Figgures, Chief Executive (BTPA)

Vicky Tanner, Income and Compliance Manager (BTPA)

Lawrence Fatona, Charging Model Management Accountant (BTPA)

Simon Downey, Director of Capabilities and Resources (BTP)

Mark Newton, Assistant Chief Constable (BTP)

Sam Blackburn, Detective Chief Inspector (BTP)

Paul Hollister, Head of IT (BTP)

Charles Le Fevre, Corporate Budget and Governance Manager (BTP)

Apologies:

Ben Wright, Interim Authority Finance Director (BTPA)

Simon Hart, Head of Finance and Procurement (BTP)

35/2014 Welcome

Non-Agenda

1. The Chair welcomed everyone to the meeting. Apologies were received from the Ben Wright and Simon Hart.

36/2014 Minutes of Finance Committee meeting held on 3 June 2014

Agenda Item 1

2. The minutes were approved as an accurate record.

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37/2014 Agenda Item 6.2 - BTP CCTV Hub - Phase IV

Agenda item 6.2 was discussed first as Mark Newton and Sam Blackburn needed to leave the meeting early.

3. ACC Mark Newton presented the BTP CCTV Hub - Phase IV paper. Phase 3 of the project is complete and the Network Rail funding of £3.3m has been spent. However, there are a number of small items to be finalised. The benefit realisation of the project, set out in an appendix to the report was also presented.

The Chair commended ACC Newton on the list of benefits from the project and stated the importance of their effect on the BTP strategy. A member suggested that the benefits from the project be linked to some case studies. ACC Newton advised the Committee that the capability of BTP grows with every phase. The CCTV provides better insight into staff mapping as BTP officers are more visible. BTP officers now focus on policing, while police staff process outputs of CCTV data.

Network Rail is to continue funding Phase 4 of the programme. They have been very supportive and have assisted in achieving efficiencies. This has reduced time wasting for warranted staff. Progress achieved to date means that B Division is now capable of a live view of all the major Central London stations. Phase 4 funding will also be used to improve the resilience of the system and ensuring that there is a link to the disaster recovery site. However, some issues remain unresolved, such as the lack of a national process outside of B Division i.e. officers going round to collect tapes and disks to review back at BTP. A question was raised about the ownership of the assets. ACC Newton advised the Committee that the asset is owned by the BTP and as such, is responsible for the asset and the maintenance of the asset.

Mark Newton and Sam Blackburn left the meeting.

ACTION - The Finance Committee to recommend to the Authority that the approval to spend the Network Rail funding is given. (To be presented to the Authority in the virtual July Authority meeting)

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38/2014 Actions from previous Finance Committee meetings

Agenda Item 2

4. Items 5, 6, 7, 9, 10 and 11 on the matters arising log are all complete. Items 2, 3 and 4 are discussed under agenda item 2. Item 1 is to be presented at the October Finance Committee meeting.

Agenda Item 2.1 Items to be discussed – Simon Downey

5. Simon Downey presented the Workforce Planning and Accelerated Information Strategy (AIS) Programme reports to the Committee. The British Transport Police (BTP) approach to Workforce Planning is to work from the Budgeted Workforce Target (BWT) plan. Actual results are subsequently compared to the BWT. Where recruitment needs are identified the budget is utilised and where surpluses are identified these are returned centrally. This enables BTP to identify trends in workforce recruitment. Requests for recruitment are reviewed centrally to ensure there are sufficient funds available. Campaigns for recruitment are assessed by Workforce Planning. Thereafter, Springhouse assist with training needs.
6. The restructuring programme has been successfully implemented. There were some problems with the tracking of people and posts. A project has been put in place to address this issue and is scheduled to be completed by the 31 August 2014 across the BTP. While there was never any risk of financial loss to BTP, there was however a loss of control within HR. Payroll was affected only in period 1, as the new structure commenced. Payroll was aligned to Origin, but HR was not. Hence the project to rectify the problem, the aim of which was to reconcile assets and liabilities by location.
7. Work is underway to define the operating model for AIS programme. The AIS programme is part of the overall transformation programme that BTP has launched. The transformation programme has three separate areas: Information Portfolio, People and the Business as Usual. The AIS programme is part of the Information portfolio and includes projects such as VDI, Integrated Systems Programme and connection to Public Service Network (PSN) which is mandatory by October 2015. A new project manager is joining BTP in August who is currently working for the Metropolitan Police on their PSN compliance project.

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Agenda Item 2.2 Items to be discussed Charles Le Ferve

8. Charles Le Fevre updated the Committee on the calculation of centrally organised overheads for London Underground. He advised the Committee that the original papers on 'calculation of centrally organised overheads recharged to London Underground' had been circulated to Ben Wright and Simon Hart, who will update current processes and report back at the next Committee meeting.
9. The process of reviewing the Medium Term Financial Plan (MTFP), covering the BTP revenue and capital programme was presented to the Committee. The internal process is to review the plan which feeds into the delegated authority limit, before applying the assumptions to the current budget. This is then brought to the Committee for approval before application. The Chief Executive sought assurances that budgets are built up to reflect the strategic objective of 20:20:10. The Committee requested a briefing on the methodology and the budget assumptions of the MTFP.
10. The internal process is to review the financial plan from which the current year's approved budget is derived and update it with any changes to the assumptions upon which it was based.
11. The report was noted.

ACTION - Brief the Committee on the methodology and budget assumptions of the Medium Term Financial Plan (Simon Hart)

39/2014 BTP Quarter 1 Report 2014/15

Agenda item 3

12. Charles Le Fevre presented the quarter 1 report to the Committee. All departments are forecasting close to or on budget at the end of quarter 1. The full year forecasts for all income and expenditure are 5% within the revised budget. Overtime is mostly operational led and it is recorded against the relevant operation. The normal procedure is a one to three percent overtime allowance. The departments most effected are the First contact centre and CCTV.

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13. A query was raised as to whether there was an increase in staff overtime costs due to the restructure. Charles Le Fevre stated that there this was possible. A discussion then ensued about budget limits and reporting of overtime. To ensure this is closely monitored the Committee requested that commentary is included in the report where there is a variance in expenditure of £50k or more.
14. A query was raised regarding the process for agreeing the capital delegation limits with the DfT
15. The report was noted.

ACTION - BTP to include commentary in the quarterly reports explaining any variations greater then £50k. (Simon Hart)

ACTION - BTP to provide a short note to the next Committee meeting on how the capital Delegation limits are agreed with the DfT. (Ben Wright/Simon Hart)

40/2014 BTPA Quarter 1 Report 2014/15

Agenda Item 4

16. Andrew Figgures presented the quarter 1 report. The Authority is underspent against its first quarter budget. However, the reasons for the underspend are well understood and under control. The Member's budget is also underspent. The budget had been based on 15 Members being in post in 2014/15. However, there are currently 13 Members in post. Recruitment of new Authority Members is currently in progress.
17. The report was noted.

41/2014 Annual EPSA Report

Agenda Item 5

18. Vicky Tanner presented the Annual Enhanced Police Service Agreement (EPSA) report. The report is an overview of the known income for 2014/15 from EPSAs. The £19.8m EPSA income does not include two EPSAs with Network Rail for approximately £0.4m that are awaiting signature.
19. The Committee were warned that EPSAs for Southern and First Capital Connect were at risk due to re-franchising. However, BTP are currently in talks with Govia Thameslink to explain the benefits of the EPSAs and to establish whether they are interested in taking over the contracts.

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20. The Chair raised concerns that while the resources associated with the Southern and First Capital Connect EPSA could be absorbed as required, there are currently over 400 officers, PCSOs and staff funded under EPSA agreements. The Committee suggested that franchise end dates be reviewed to ensure that the Authority is aware of the potential exposure arising from the termination of EPSAs as franchises end.
21. The report was noted.

42/2014 Force Projects

Agenda Item 6.1 – Force Project Updates

22. Simon Downey updated the Committee on the progress of BTP's Force level projects. The report set out the status of various ongoing projects within BTP. Of the 9 projects currently being monitored by the Service Improvement Board (SIB), 6 have an overall green status, 1 amber and no red status (two projects do not have a status as they have been completed).
23. The amber status project is the intranet replacement project. The potential risk is the new bandwidth not being sufficient to meet the key needs such as CCTV streaming and mobile ambitions of the BTP. The Chair proposed that work be done to understand the network demands of the BTP. This project is not linked to the network optimisation project.
24. The pilot of the network optimisation project is expected to commence in September in the North West Area. The purpose of the exercise is to ensure that BTP have sufficient bandwidth. The exercise is to cover benchmarking against various British Telecom stats and user perspective tests, such as the length of time taken to send e-mails, etc. Subsequent roll out and completion of the project is expected to be in December 2014. The Committee requested a progress update on the network optimisation project for their December meeting.
25. The report was noted.

ACTION – BTP to provide a progress report to the Committee in December for the network optimisation project. (Simon Downey)

43/2014 Business Case Approvals**NOT PROTECTIVELY MARKED**

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Agenda Item 7.1 – ICCS Relocation and Upgrade

26. Simon Downey presented the business case for the Integrated Communication and Control System (ICCS) to the Committee. The business case seeks the approval of the Committee for a capital investment of £1.02m over two years to relocate the BTP's ICCS to a new secure data centre because the current site is scheduled for redevelopment. An overview was provided to the Committee of what ICCS is and how it supports BTP operationally.
27. Three options were proposed to the Committee, with a recommendation on the best option (option 1). A detailed paper on the capital expenditure over the two years was presented to the Committee. The Committee were also made aware that the BTP had been given legal advice to ensure compliance with DfT procurement guidelines.
28. The benefits of the project were highlighted and included compliance with PSN-P and the 20:20:10 objectives of strategic plan. The Committee was advised that a notice period of eight and a half months must be given to airwave before the ICCS can be moved. As a result, approval was needed from the Committee before the next Authority meeting. Given the tight deadline the Committee agreed to recommend that the Authority approve the business case out of committee.
29. The report was noted.

ACTION: The Finance Committee to recommend to the Authority that the ICCS business case is approved. (This has now been approved by the Authority)

44/2014 Pensions – Update on the new BTPA pensions strategy

Agenda Item 8

30. The Chief Executive gave a verbal update on the proposed amendment to Police Officers' pensions. The Authority will propose new pension arrangements for police officers with effect from 1 April 2015. The new proposed pension scheme is to be introduced for all police officers joining the force from 1 April 2015. Full protection is to be given to all members in the 30 and 35 year sections from the protection assessment date on 1 April 2015.
31. The DfT and the Treasury are to be notified of the amendment to the scheme. The Trustees of the pension scheme have been notified of the decision.

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32. The report was noted.

45/2014 Any Other Business

Agenda Item 9

33. There was no other business noted.

Date of next meeting: 17 October 2014

Signed.....

Chairman

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