

## Minutes

### Finance Committee

Friday 16 January 2015, 14:30 – 16:30

at The Forum

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#### Present:

Dominic Booth (Chair)

Stella Thomas

Andrew Pollins

#### In attendance:

Andrew Figgures, Chief Executive (BTPA)

Charlotte Vitty, Authority Finance Director (BTPA)

Vicky Tanner, Income and Compliance Manager (BTPA)

Adrian Hanstock, Deputy Chief Constable (BTP)

Simon Hart, Head of Procurement and Finance (BTP)

Chris Horton, Superintendent (BTP) – Part of the meeting

Jason Bunyard, Superintendent (BTP) – Part of the meeting

John Steel – Programme Manager – Part of the meeting

#### Apologies:

Bill Matthews

Simon Downey, Director of Capabilities and Resources (BTP)

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01/2015 Welcome

Non-Agenda

1. The Chair welcomed everyone to the meeting and noted the apologies.

02/2015 Minutes of Finance Committee meeting held on 27 November 2014

Agenda Item 1

2. The minutes from the previous meeting were approved.

03/2015 Actions from previous Finance Committee meetings

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## Agenda Item 2

3. Actions 1, 7, 8, 9, 13 and 14 are complete.
4. Actions 4, 5, 6, 9, 11 and 12 are covered elsewhere on the agenda.
5. Action 2 – Mrs Vitty updated the Committee on the process concerning the review of the data used in the model. Progress has not gone as well as hoped and Mrs Vitty will be following this up with BTP. The action is to remain open at this time.
6. Mrs Thomas raised concerns that the information circulated in connection with the Transformation programme and the lack of reference to increasing passenger confidence. Currently the links to this are not clear and it would be beneficial that these are improved. The Deputy Chief Constable agreed that this could be more explicit and explained to the Committee that this would be given to the reformed Media & Marketing team who are being re-focused to better meet both internal and external requirements.

**ACTION – BTP to strengthen the links in the Transformation programme to increase passenger confidence.**

05/2015 BTP Quarter 3 Update

## Agenda Item 3

7. The BTP update was presented to the Committee by the Head of Finance. The quarter 3 update reported was the position as at the end of period 9. The year end forecast is £117k below budget for revenue and £72k for capital. BTP are also currently 119 FTEs under the workforce target. The report included the requested detail concerning any variances greater than £50k, with the largest being an overspend of £268k on supplies and services.
8. It was explained to the Committee that this account code is sometimes used as a catch all area when the expenditure does not fit in the other categories. All budget lines are reviewed during the four weekly finance review meetings that are held with all budget holders. Mr Hart assured the committee that the overspend in this area is within the allowed tolerance of 5% as stated in the Chief Constable letter of delegation to all budget holders. The Committee requested further detail on the spend within Supplies and Services for the next meeting.

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9. Concerns were raised in relation to the overspend in overtime for PCSOs and Police staff along with the number of vacancies currently being reported and where the two linked. The committee was assured that the majority of this was to help ensure that the contact management function was fully resources. Also that for Police Office the staffing budget does not assume a vacancy gap due to the recruitment process. But for police staff the assumed budget was 97% of total establishment due to staff movements.
10. Mrs Vitty asked whether the Committee needed to review the 5% budget tolerance and consider setting a monetary amount as well due to the size of some overspend variance reported to the Committee that fall under 5%. A discussion was had in relation to the process of seeking approval of these types of overspends and it was agreed that once the further detail was presented on the Supplier and Services account code a decision could be made.
11. Mr Hart updated the Committee on the current progress against the 14/15 capital programme. The main concern of the Committee was the current underspend and spend forecast before the end of the financial year. It was explained to the Committee that some of this was due to the time lag between approval to spend and actual spend. It was highlighted to the Committee that to date BTP has not required the contingency reserve that is budgeted within the capital programme and this in turn effected the underspend shown.
12. From the latest report to the Service Improvement Board there is approximately 2.8m yet to show any spend against for this year.
13. Mrs Vitty updated the Committee on the negotiations with the DfT on increasing the 15/16 capital DEL to 18m from the current 14/15 level of 11.6m. This increase will not be officially confirmed until the Authority receives it delegation letter for 15/16 from the DfT.
14. The report was noted.

**Action – BTP to provide further breakdown of the overspend associated with supplies and services.**

06/2015 BTPA Quarter 3 update

Agenda item 4

15. Mrs Vitty presented to the committee the quarter 3 budget position for the Authority and Executive budgets. The year to

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date position is £86k over spent and this is due to a number of things such as timings of invoices that had been spread across the year in the budget, along with maternity cover for two posts that was not included in the 14/15 proposed budget. The other pressures on the budget have been the additional work required to support the new pension strategy and the potential impact of devolution.

16. The Committee were also updated on the current debtor's position. It was highlighted to the Committee that amongst the debtors were a number of small PSA holders who have not paid their 14/15 annual PSA charge. This is currently being addressed and payment is being chased.
17. Following a short discussion it was agreed that the BTPA would include a new section within its monitoring report concerning the gross budget to ensure transparency on budget monitoring.
18. The report was noted.

**ACTION – The BTPA to include monitoring against the Gross Budget as part of future reports.**

07/2015 BTP Budget 2015/16 – Capital Programme

Agenda Item 5

19. BTP presented to the Committee the Capital Programme for 2015/16 for approval. The total cost of the 15/16 programme is £19.1m which includes a £900k draw down from reserves. The programme has been constructed within the £18.2m capital DEL that is expected to be confirmed by the DfT.
20. It was highlighted to the Committee that the 15/16 programme did not include a contingency. To date BTP has not required this and it has resulted in an underspend. Discussions were had as to whether a contingency was required or whether the programme should be over programmed instead.
21. The Committee were reminded that the DfT would expect BTP to full utilise its capital DEL rather than end the year with an underspend especially since the capital DEL is being increased. Mrs Vitty was asked to liaison with DfT to assess the risk of not utilising the full amount in 15/16.
22. The report was noted.

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**Action – Mrs Vitty to speak to the DfT concerning the risks of not fully utilising an increase DEL within specified year.**

08/2015 Mobile Solution – Business case for Approval

Agenda Item 9.2.1

(Chris Horton, John Steel and Jason Bunyard joined the meeting)

23.BTP gave a presentation to the Committee concerning the Mobile Solution business case. The current technology BTP used for mobile access to a number of limited system to out of date and requires upgrading to ensure that it would be PSN-P compliant by October'15. The new solution being presented would allow the officers to increase visibility and carry out a number of functions while out of the office. It is envisage that a suite of devices will be on offer to the officers so that they could choose what a device that best suits their operational requirements and needs. The systems being procured as part of the Integrated System Programme will be able to run on these devices and along with apps. It is envisaged that once access to BTP systems have been developed, BTP will look at gaining access to third party systems such as TfL and train operators. It is envisaged that this technology would use 2G / 4G and Wi-Fi to connect to the system which will maximise coverage across the country.

24. The Committee were reminded that this was not a spend to save business case, but one that will generate improve efficiency and support the Chief Constables ways of working such as first fix. For options were considered in the business case and the recommended option was option 3 at a cost of £5.049m. The roll out of these devices would be done at the same time as the training for the new ISP systems so to minimise extraction time for users.

25. Due to the total cost, once the Authority has approved the business case it will be submitted to both DfT and Cabinet Office as set out in the delegation letter for 14/15.

26. The Committee agreed to recommend the business case and investment to the Authority for approval on the 29 January 2015.

**Action – The Committee to recommend to the Authority that the Mobile Solution business case is approved.**

(Superintendent Chris Horton and John Steel left the meeting)

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09/2015 BTP Gross Budget 2015/16

Agenda Item 6

27. Mrs Vitty presented the paper to the Committee setting out the progress to date in finalising the total gross budget for 15/16. The overground budget was approved on the 11 December'14, but the remaining elements are yet to be finalised.

28. The Committee were disappointed that the full gross budget was not being presented at the meeting, and that it won't be ready until the March Committee meeting. The Chair stressed that the current situation concerning the approval of the gross budget should not happen next year. Mrs Vitty and BTP assured the Committee that lessons had been learnt and that the process for the 16/17 budget will be improved.

**Action – A lessons learnt review to be carried out to ensure that that issues that have occurred with the agreeing of the 15/16 gross budget does not happen again.**

10/2015 PSA Communication update

Agenda Item 7

29. Mrs Vitty provided an update to the Committee following the distribution of the PSA actual charges for provisional charges that was sent on the 19 December 14. A few PSA holders have requested meeting to discuss their charges and these are being set up.

11/2015 Reserves / Cash Flow update

Agenda Item 8

30. Mrs Vitty presented the paper to the Committee. Mrs Vitty explained that she had hoped to have been able to share the scope of the review with the Committee approval, but this was only submitted today but it will be circulated to the members of the Committee. The Committee approved the scope of the work as long as it didn't vary from what was included in the paper. The total cost of this piece of work will be £15k and this is an additional budget pressure that was not foreseen.

31. The Committee was disappointed that the meeting request with the Chief Constable was declined prior to the outcome of the external review. The external review will report back to the March Finance committee.

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**Action –The Committee approved the scope of the review of the reserves by PwC.**

12/2015 Force Project update

Agenda Item 9

32. Deputy Chief Constable presented the paper to the Committee. The Committee were informed that that the City of London Police are now part of the ISP tender following local discussions, which could result in a reduce cost for BTP.

33. A number of new projects were highlighted to the Committee and depending on their total cost may require Finance Committee approval. The Committee request that some further details on the costing and spend is included in the report as it is not always clear if projects are on budget. A discussion was had in relation to the Origin project and the updates and changes required to the Duty Management System (DMS). It is expected that this will be completed by May'15 but this is to be confirmed by BTP.

**Action – BTP add additional spend information into the Force project update report.**

13/2015 National Justice Department / Contact Management review

Agenda Item 9.2.2

The above item was taken in the private session of the Committee meeting.

14/2015 Any Other Business

Agenda Item 10

34. The Deputy Chief Constable expressed his thanks to Mrs Vitty for the support and assistance she has given to him and BTP over the past few months to get a number of issues resolved.

**Date of next meeting: 5 March 2015**

Signed.....  
Chairman

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