



Report to: Finance Committee
Agenda Item: 9
Date: 3 June 2015
Subject: 2015/16 MTFP and budget update
Sponsor: Director of Capability & Resources
For: Information

1. PURPOSE OF PAPER

1.1 The purpose of this paper is to update the Finance Committee on changes to the MTFP 2015/16 assumptions and Revenue Risks and Opportunities as we go into FY 2015/16. The latter are included for transparency and information at this stage; it remains the Force's intent to manage risks and deliver within the budget provision.

2. OVERVIEW

2.1 The 2015/16 MTFP was endorsed by the Authority in November 2014. It was predicated on a number of agreed assumptions. Since November there have been a number of changes to operational context, threat, business as usual practices and transformation which have altered some of the underlying assumptions. This paper outlines these for information. A more detailed summary, including the impact to the in-year allocation, will be briefed as part of the Quarter 1 Report presented to Finance Committee in July.

3. ASSUMPTIONS

3.1 The key assumptions of BTPA Strategic Plan are:

- 20:20:10 targets
- Operational Profile:
 - No anticipated substantive change in disorder or policing activity levels
 - No change to status as a United Kingdom Force

- No change to Governance or Department
- No change to BTP role and focus (overground and underground)
- Based on the 2104 Restructure Model.

3.2 In the 2015/16 MTFP, the key funding assumptions were:

- Pay: 1% increase in 2015/16; 2% in the following years
- Non-pay: 0.8% increase
- Budgeted workforce: baseline plus additional transformation posts as detailed in the MTFP

4. CHANGES TO ASSUMPTION OR ACTIVITY

4.1 The Finance Committee should note the following changes to assumption or anticipated change to activity:

4.2 Threat. In August 2014, the threat to the UK from International Terrorism was raised to 'SEVERE' (an attack is highly likely). Subsequent terrorist attacks in 2014 and 2015¹ have highlighted an increased risk to the UK. This threat was initially met within existing resources through Op WALMINGTON – principally through officer overtime. In February 2015 as understanding of the threat increased, BTP CT Gold Group reviewed the capability of the Specialist Operations Department. It directed changes to the CTSU operational MO, a revision of command and control procedures through the Silver Cadre and a closer integration of CTSU assets into the Op TRAFALGAR programme. The Gold Group also reviewed the capability of the current CTSU establishment and highlighted a number of deficiencies. It assessed that these deficiencies limited an effective response to the current SEVERE threat and restricted surge capacity, thereby reducing options to 'step up' in the event of a threat level increase to Critical or in response to an attack. Key weaknesses identified were:

- Limited ability to deploy more than one Specialist Response Unit per shift
- Limited ability to deploy more than one General Purpose/Cross Functional dog per shift

- Limited uniform policing function: Behavioural Detection Officers, able to conduct counter terrorist operations and provide support to the specialist roles
- Limited planning support.

The CT Gold Group directed capability enhancements to address the most pressing operational shortfalls. These included staffing the Force's firearms capability to its full authorised level - 90 officers as set out in the original business case agreed in 2011. In addition, the CT Gold Group identified the need for Behaviour Detection Officers, Cross Functional Dogs and necessary administrative support (Duty Planning). These proposals were reviewed and endorsed by the COG.

Divisions reviewed how resources could be best re-allocated to support the step-change in CTSU/Firearms capability. This will result overall in a slight increase in police officer establishment. This will be largely off-set by re-apportioning some Divisional posts to CTSU/firearms, and converting some PCSO and police staff posts to PCs. The re-balancing, an agile response to threats and priorities, will see CT capability operating in support of overground and underground with costs falling appropriately.

- 4.3 OP EVOLVE. Under an EPSA with TFL, BTP is delivering a night tube capability by September 2015. Delivering this capability (an extra 62 officers) as at September 2015 has required significant activity earlier in the year, specifically in recruitment and training. Given that Spring House is at capacity, the Force is running on Caledonian Road from where it delivers additional training courses. The impact of this overall increase in activity is shown on the risks and opportunities list.

¹ 2014 - Melbourne, Ottawa, Quebec, New York, Brussels, Sydney, Joue-les-Tours, Dijon and Nantes; 2015 - Paris and Copenhagen

- 4.4 Transformation. Throughout late 2014 and early 2015 the pace of transformation has increased and understanding of second and third order issues has deepened. In 2014, the Chief launched his 10 Commitments. This complemented the main transformation milestones with additional early ‘proofs’ of change. These have resulted in additional costs.
- 4.5 Governance. The Force restructure streamlined the Force structure and command and control and increased the front line capacity. In some areas, enabling capabilities were – with hindsight – over tightened. Work in IM, H&S, Finance and Estates suggests that additional capability is required to deliver sustainable good governance.
- 4.6 Other: Other, less significant, areas of change (organisational or in priorities with actual or potential in-year implications are shown below. Many of these are implications from follow-on transformation or the Chief’s 10 Commitments:

Area	Issue	Implication
Information Management	Priority work continues under Op CANBERRA to address legacy records issues with MOPI 2, MOPI 3	Cost of agency staff and run-on of Caledonian Road
Body Worn Video	Support to pilot to enable rapid transition to roll-out	Staff costs
Crime Review	Transformation of CRIME area. This was not detailed or costed in full with MTFP 15-16	Transformation and staff costs
Football Summit	Establishment of an enhanced capability to deal with football fan ASB – high priority operational requirement	Potential establishment of a stand-alone capability focus. Option to re-balance from existing Force resources
Safeguarding and Suicide Prevention	BAU costs for safeguarding capability. Costs not fully captured during capability definition	
Territorial Support Split from Operations	Potential re-organisation necessitated by operational requirements	To be confirmed
Inflation Requests from	Home Office has moved from	



Home Office re National Hosted Portals – (Livescan/PNS/PND etc)	allocating capability to full cost recovery from FY 15-16. The full implications of this were not known during the construction of MTFP 15-16 construct	
300 Specials	Key capability enhancement. Chief's Commitment	
Housing Allowance	Awaiting BTPA decision on the treatment of Supt's Claim for Housing Allowance	
Depreciation	The introduction of Fixed Asset Register, with its software accuracy, has revised presumed depreciation assumptions	
Contact Centre	Under review. The BTPA approved the people implications of this re-structure through VSS. There are potential additional costs arising from the re-organisation.	

5. RISKS AND OPPORTUNITIES

5.1 Force risks and opportunities present overall £1.8M of pressure. This is a combination of:

5.1.1 Risk. £4.5m of risks. This comprises:

- £3m pressure from changes in MTFP assumptions in operational profile (CT), operation demand (Op EVOLVE) and workforce recruitment with roots in growth/transformation.
- £1.499m pressure from demands linked to deficiencies in governance/key capabilities.

5.1.2 Opportunities: The overview illustrates £2.758m of opportunities. These are a combination of anticipated underspends, savings, Northgate payment and the apportionment of costs arising from Night Tube. Drawing down the Northgate payment will require the agreement of BTPA; apportioning costs for start-up costs for Op EVOLVE which will require consultation with TfL.