



**BRITISH
TRANSPORT
POLICE**

REPORT TO: Finance Committee
AGENDA ITEM: 8
DATE: 17 July 2015
SUBJECT: Medium Term Financial Planning Cycle 2015
SPONSOR: Director of Capability and Resources
AUTHOR: Head of Finance and Procurement

1. PURPOSE OF PAPER

1.1. This paper details the proposals for the new business planning cycle identified as a result of lessons learnt exercise completed in June 2015 and a requirement from the Police Authority to align the budget setting process for the Force.

2. BACKGROUND

2.1. As part of the Finance Committee meeting held on the 3rd June it was agreed that a number of changes to the Medium Term Financial Planning (MTFP) timetable would need to be made to incorporate the following:

- a) A unified (Over ground and Underground) budget setting process that allows budgets for the Force to be integrated at each stage and finalised by November 15.
- b) Desired strategic outcome, constraints and internal and external pressures detailed at the commencement of the MTFP process
- c) List and validation of BTPA, Force and budget area assumptions. These assumptions should support the construction and management of a capital programme that considers beyond a 12 month horizon
- d) Validation of costed assumptions. This is to include the costing of the baseline and the variance to baseline
- e) The incorporation of benefits as a comprehensive stream within the MTFP
- f) In year management that will identify and highlight variance, risk and opportunities.

3. Summary of Conclusions and Recommendations



- 3.1. A revised Business cycle has been designed that takes into account all of the above requirements as well as the expected timelines and communication necessary.
- 3.2. Detailed work is required to integrate overground and underground cycles from processes, management information, through to interactions.
- 3.3. The Finance Committee is asked to approve and adopt the Business cycle as presented



Appendix						
Activity	Outcome	Steps	Lead	Dependency	Target Completion Date	
Preliminary Work						
FHQ Finance Department Business Process Review	Revised internal processes and controls	BPR Recruitment TORs and revised roles and responsibilities	Head of Finance	Divisional Finance Function Outcome of independent review	17 Jul 15	
Integration of Overground and Underground Processes	Integrated process Process alignment for Force wide Finance function Clarity of engagement with TfL with designated leads at relevant TfL budgetary stages	BPR of pan-Force finance function TOR on engagement with TfL Incorporation of B Division processes with budget assumptions and costing process Reset of management information (SAP) Revised letter of delegation to B Div Comd	Head of Finance	TfL Finance timetable	30 Jul 15	



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		Engagement and communication of revised process to TfL				
Budget Holders	Training and preparation	Activity costs training package prepared	DoCR L&D		16 Sep 15	
		Activity costs training package roll out	L&D		04 Nov 15	
MTFP						
Business cycle	Endorsement of business cycle	By FEB	Head of Finance		08 Jul 15	
		By Finance Cttee			24 Jul 15	
	Promulgation to Force	MTFP 16-17 Direction Note 1 Updates monthly to SEB, SIB and FEB	Head of Finance		13 Jul 15	
Strategic Assumptions	Agreement of strategic outcomes, constraints, risks and opportunities	Scoping meeting Chair, Chief Constable and Chief Executive	Chief		05 Jul 15	
		Strategic Outcomes proposition	DoCR/SDD		13 Jul 15	
		Endorsement by Finance Cttee	Chief		24 Jul 15	
Finance Cttee	Q1 Endorsement of strategic assumptions	BPR interim report P3 Report Revised business cycle	DoCR/HoF	BTP Capital review – 20 Jul 15	24 Jul 15	



		Changes to assumption (Q Zero) Balance sheet Cash flow Capital Benefits Pensions update PSA charges - actual	Finance Dir	Transformation paper		
Master assumptions	List, validate and endorse assumptions	Establishment review Distribute strategic assumptions and assumptions direction	DoCR/Head of Finance		30 Jul 15	
		Force budget areas detail assumptions	Budget holders		14 Aug 15	
		Validation and endorsement	DCC		21 Aug 15	
Cost assumptions	Cost model of assumptions	Distribute costing direction	Head of Finance		28 Aug 15	
		Force budget areas cost assumptions	Budget holders		11 Sep 15	
		Validation and endorsement	DCC		18 Sep 15	
MTFP Construction		Draft MTFP	DoCR		30 Sep 15	
		CC/FEB endorsement of MTFP	CC		08 Oct 15	



Finance Cttee		Review 15-16 Review 16-17 BPR report Pensions Review provisional PSA charges to date	DoCR HoF		16 Sep 15	
DfT	Period 7 Reporting		Fin Dir			
Finance Cttee	Q2	Changes to assumption 15-16 Q2 performance Review 16-17 BPR report Q2 Balance sheet Q2 Cash flow Capital programme review Quarterly benefits realization Approval of gross budget Pension update PSA charges actual	DoCR HoF Finance Dir		22 Oct 15 (Reserve date 26 Nov 15)	
BTPA	Final Budget (Revenue and Capital) Approved		DoCR		4 Nov 15	
End of Year	FEB endorsement of end of year timetable	End of Year timetable drafted	DoCR HoF		09 Nov 15	
		End of year direction issued	DoCR/HoF		16 Nov 15	



TfL	TfL Budget Setting – Q3	Finalisation of TfL budget			Nov-Dec 15	
DfT	Period 9 Reporting		Finance Dir			
Finance Cttee	Q3	Changes to assumption 15-16 Q3 performance Q3 Balance sheet Q3 Cash flow Q3 Capital programme review Quarterly benefits realization Capital programme 16-17 review Year-end timetable review Pensions update PSA actuals	Finance Dir		14 Jan 16	
Capital Budget Reviewed	P11 Finance Review		DCC	Special SIB- RAG	14 Jan 16	
Budget Upload	HoF		HoF		Feb	
Chief Delegation Letter	CC		CC/HoF		Feb	
Finance Cttee	End of Year	Year-end forecast results for 15/16 Forecasted capital programme outturn Review of any				



		revisions to 16/17 budget Cash flow forecast review for 16/17				
Finance Cttee	End of year	Year end results	DoCR		19 May 16 (may move to Jun)	
		Year end financial statement				