BRITISH TRANSPORT POLICE AUTHORITY

MINUTES

STRATEGY, BUDGET & PERFORMANCE MONITORING COMMITTEE

15th SEPTEMBER 2008, 11.00AM

at

HOLIDAY INN CAMDEN LOCK

Present:	**Sir Alistair Graham (Chair)** **Sir David O'Dowd** **Mr M Holden** **Ms C Knights** **Mr J King** **Mr R O'Toole** **Mr J Weimar**
Apologies:	**Mr R Gisby** **Mr I Dobbs**
In attendance:	**Mr I Johnston, Chief Constable** **Mr S Thomas, Assistant Chief Constable London & Olympics** **Mrs S Burd, Director of Finance and Corporate Services** **Mr P Zieminski, *FrontlineFirst* Programme Director** **Ms E Bird, Chief Superintendent** **Mr A Clarke, Interim Head of Finance** **Mr H Waller,** **Mr R Hemmings, Chief Executive & Clerk** **Mr P Haddock, Deputy Chief Executive** **Mrs E Pike, Treasurer** **Mrs S Elvy, Research & Policy Manager** **Miss L Barrick, Business Support Manager & Minutes**

22/2008 **WELCOME AND APOLOGIES**
Non-Agenda

The Chair gave apologies from Mr Dobbs and Mr Gisby.

23/2008 **MINUTES OF MEETING 3rd JUNE**
Agenda Item 1

The minutes were **approved** as an accurate record.

24/2008 **MATTERS ARISING**

Agenda Item 2

Mr King asked whether there was any update on legal advice around recovery should the Authority lose the Judicial Review. Mr Hemmings said there had been no further advice received, but it had been confirmed that the Authority could recover any shortfall.

The Chair said that there had been a meeting with Dr Mitchell at the DfT and the issue of why the DfT was not alongside the Authority in the Judicial Review had been raised. Dr Mitchell had responded that the DfT saw a link between the Judicial Review and Arbitration and as such considered it inappropriate. The Chair said Dr Mitchell had offered that the DfT would look through the papers relating to the legislation that established the Authority, to see if during the discussions on the legislation as it progressed through Parliament these had touched on whether a review of the charging system could override any contractual obligation in the PSA agreement.

Mr Hemmings said that three possible options for recovering any shortfall had been modelled. However, none of these models was without its own problems and there was the risk of further legal action from other PSA holders.

Mr O'Toole said it was important that the PSA holders were kept informed of progress and the sums of money involved. It should be made clear how much it could cost the PSA holders should the Authority lose the Judicial Review.

Mr Hemmings said that he had written to PSA holders and as a result one company had offered support.

Mr King suggested that it might be useful to have a discussion about a communications strategy for the disputes at the SR&CS Committee.

Mr Holden asked whether, following the rearranged franchises charges in November, these had been agreed based on the new Charging Model. Mr Hemmings answered that this process had worked well with the new model and charges had been agreed.

Ms Knights noted that the cost of new uniform had been included in the budget and appeared to be going ahead. She said that the HR&R Committee had had some concerns regarding the consultation process on this project and had not received any update.

The Chief Constable responded that the new uniform was on hold for a year as there were contractual issues. He said that he would have a paper brought to the HR&R Committee to update on the situation.

Mr Holden asked what the timescales were for the review of Member portfolios. The Chair said he felt that this would be a matter for the new Chair.

All other actions had been discharged.

Agreed:

- **An item to be put on the next SRC&S Committee agenda to discuss a communications strategy for the disputes process.**
- **An update paper on a new uniform to be put on the next HR&R agenda.**
- **The new Chair to approve the review of Member portfolios.**

25/2008 **REVENUE AND CAPITAL PROGRAMME MONITORING**
Agenda Item 3

Mrs Burd introduced Mr Clarke the Interim Head of Finance.

Mrs Burd said that the report was a first attempt at a new style and she would appreciate any feedback. She added that she would ensure that the report was distributed to all Authority Members in advance of the next meeting.

Mr Clarke said that the year-to-date (YTD) revenue position at the end of period 5 was showing an underspend of just below £900k. It was projected that at the end of the year there would be an underspend of approximately £800k. The capital position was that £328k was still to be allocated and there had been some slippage in the capital programme.

Mr Holden asked what the cause of the slippage was. The Chief Constable said that the custody project was being reviewed as the anticipated costs were increasing. Mr Holden asked for confirmation that there was no risk of losing any capital funding. Mrs Burd said there was no risk as funding was being diverted to other projects that were underway within the programme.

The Chair asked how many vacancies were being covered by overtime. The Chief Constable said that the Force had a devolved budget regime and there was not an establishment for Areas. Areas had the authority to recruit slowly or quickly, whichever best matched their needs. The Chief Officer Group (COG) watched the overall figures for police officers.

Sir David said that there must be a nominal number for each Area. The Chief Constable responded that numbers were not given to Areas but changes were monitored. Mr O'Toole expressed surprise that there was no establishment for the Areas. The Chief Constable said that budgets were drawn up on current numbers and what Areas considered were going to be important.

Chief Superintendent Zieminski said that vacancy gaps were not included in efficiency tracking unless performance was maintained and the gap was not filled.

The Chair said that he was in favour of devolved budgeting but was also concerned by the levels of overtime. He asked if the Committee could see some figures. The Chief Constable said that he would incorporate overtime as one of the themes in budget monitoring. Mr Hemmings suggested that it might be useful to have a paper on manpower planning. The Chair agreed that this would be useful and requested that it include a recommendation of how overtime would be monitored ongoing. Ms Knights added that agency staff would need to be included.

Sir David noted that the Assistant Chief Constable Crime budget was significantly overspent whilst the Finance budget was underspent. Mr Clarke said that the Finance budget was showing an underspend following additional income from CTRL. The Crime budget was overspent largely due to overtime and forensics costs.

Mr O'Toole noted that in the areas where there were large overspends the projections were showing that they would come in on, or very near, budget by the end of the year. He asked if this was really achievable. Mr Clarke said that with regard to the Crime overspend there were some issues around the cost of forensics and a review was looking at whether so many samples needed to be analysed. The Crime department also had a high number of agency staff currently. However, Mr Clarke said they would need to try and sort these issues out first before any money was vired to their budget. The Chief Constable added that cable theft costs were also a drain on the Crime department budget.

Mr King noted that in the performance report the use of forensics was credited with helping to reduce crime, but elsewhere in the papers there was a comment on reducing the cost of forensics. The Chief Constable said that the onus was on making sure that there was a return on investment, when overall forensics costs were increasing. He said that the detection rate had risen from 17% to 33% through the investment in the Force.

Mr King suggested that it may be useful for the Authority to receive a presentation on Forensics and possibly appoint a lead Member for this area.

Mr O'Toole asked how the HR overspend was to be reduced. Mr Clarke said that the projection had been provided by the HR department. He added that he believed that the Birmingham move was a large part of the projection back to budget by the end of the year.

Mr Holden said that he had been very happy with the presentation of the report. However, he was concerned about the disconnect between the YTD figures and full year projections. He said that the text of the report talked about the forecast but there was no comparison with the YTD figures explaining how this was to be achieved.

Mr Clarke said that more money would be put into the transport budget to cover inflation rises for fuel. Mr Holden said that he would like to see this remain as an overspend in transport for transparency.

Mr Weimar asked what had happened with the police pay award. The Chief Constable said that it was headed for arbitration and he did not expect any settlement before the New Year. Mr Weimar asked if this was reserved in the forecast. Mrs Burd confirmed that it was.

The Chair asked that Members feed any comments on the report to Mrs Burd.

Agreed:

- **A paper to be brought to the next meeting on manpower planning including a recommendation on how manpower, agency staff and overtime will be monitored.**
- **An explanation of how the YTD figures relate to the full year forecast to be included in future reports.**
- **A presentation on Forensics to be given to the Authority and thought be given to having a lead Member for forensics.**
- **Members to feed any comments on the report presentation back to Mrs Burd.**

26/2008 **MEDIUM TERM FINANCIAL PLAN (MTFP)**

Agenda Item 4

Mrs Burd introduced the MTFP, which built on that previously presented and linked into the Strategic Plan.

Mr Clarke spoke to the paper. He said this was a projection and the numbers would change, as the calculations were based on some assumptions of income from PSA holders and predicted RPI. A detailed budget had also not yet been drawn up for 2009/10. He added that there were many factors that would affect the MTFP that the Force could not influence the impact of, such as, the counter-terrorism threat, passenger numbers, inflation and the management of police information (MOPI) work. A number of initiatives had been included in the MTFP and any ongoing costs resulting from capital projects. Mr Clarke said that the projections in the MTFP showed deficits for the next two years and this would need to be covered by savings.

Mr Clarke said that cashable savings found within Areas were being reinvested in the frontline of that Area.

With regard to the capital programme, Mr Clarke said that this only represented those projects that were funded. He added that there were other things that the Force was not doing that it should do but could not afford.

It was noted that there was a formatting error in note 7 where the lines had dropped down one.

The Chair said that the fundamental thing was whether this was a sustainable plan. He said, providing the *Frontlinefirst* project was successful, there was no reason why the MTFP should not be a success. He added that the figures used were realistic.

The report was **noted**.

27/2008 ***FRONTLINEFIRST* PROGRAMME**

Agenda Item 5

The Chief Constable said that the target for the current year was £5.6M savings with £2.6M of these being cashable savings.

Chief Superintendent Zieminski said that the delivery plan was being monitored on a week-by-week basis. He said that Area Commanders had been encouraged to be innovative when looking for savings within the accounting rules. This was a mix of workforce modernisation and releasing officers back to the frontline. There had been a lot of activity with early wins.

Mr Weimar said that he had attended the challenge panels that had taken place so far. He said efficiencies were falling into three areas, redeployment, the reinvention of large departments such as HR/Finance and back office functions which were finding it hard to find savings. He added that Annex B to the paper gave a sense of the challenge and that currently it was easy targets that were being found.

Mr Clarke said that there were efficiencies to be had in future years. The Chief Constable said the Force was equipping its people with the skills required to find efficiencies.

Ms Knights said that she understood that the figures relating to the HR Transformation were in flux but asked if they included the Birmingham spend. Mr Clarke said this would be coming out of the figure given.

Mr King asked when the efficiency formula would be agreed. Chief Superintendent Zieminski said the formula had been agreed now.

Mr Holden said it was encouraging to see the work going into efficiencies. However, he felt the review was still quite functionally driven and would like to see more consideration of cross-cutting business processes, in addition to the current focus on reducing individual departmental costs. He noted that the IT Challenge Panel that he had recently attended had not considered the potential for this within its remit, and yet he considered that the potential of IT and Information Management to be used as an instrument to improve business process efficiency within the force was considerable.

The Chair said he had been pleased with the range of documents

that had been distributed.

The report was **noted**.

28/2008 **PERFORMANCE REPORT**

Agenda Item 6

The Chief Constable spoke to his report. He said that the Force was broadly in line with where it had been last year with regard to target performance. He highlighted the persistent young offender (PYO) target as a particular success. There was also a strong performance on fatality management. Virgin Trains and Network Rail had given funding for a dedicated team to help reduce and respond to fatalities on the West Coast Mainline. There had been a reduction in notifiable crime but the target was not being achieved as it was a linear target.

The Quality of Service target was now being achieved. The Chief Constable said that the Wales and Western Area had done some particularly good work in keeping in contact with victims of crime.

The general trend was that crime was reducing but attempted crime was increasing. The Chief Constable said that the number of drug offences was increasing as drugs were often found on arrest during Operation Shield. Theft of ticket machines had also increased.

The sickness targets had been narrowly missed but had reduced greatly. Cable theft remained a big challenge.

Ms Knights asked if there was anything further that needed doing with Quality of Service following the Policing Green Paper. The Chief Constable said a paper would be represented to the Authority meeting on 30th September on this. He said that he was trying to get a feel from PSA holders on the paper before the Authority meeting.

The report was **noted**.

29/2008 **TfL REVIEW OF POLICING IN LONDON**

Agenda Item 7

Assistant Chief Constable Thomas said that TfL had proposed to sponsor a review of the BTP London Structure and collaboration with the Metropolitan Police Service (MPS). Part of this review would look at whether London Overground should remain as being policed by London North or whether it should be incorporated into ‘L’ Area.

Chief Superintendent Bird was leading this piece of work for BTP, working closely with Tim Graves of TfL. Chief Superintendent Bird said that the review was looking at how to build on the good work that was currently happening and for other opportunities and risks.

The Chair asked what the range of issues was, as he was aware of a lot of collaboration that currently happened with the MPS. Chief Superintendent Bird said that the review was to start with a look at major transport hubs where BTP had various teams along with MPS,

and how these teams interact and which activities they lead on. She added that they were also looking into wider collaboration with local authorities.

Sir David said that there had to be clarity on the parameters of the review. Chief Superintendent Bird said she was interpreting the terms of reference.

Mr King asked what the timescales for this work were. Assistant Chief Constable Thomas said that the proposals were draft currently. A meeting was scheduled for October to discuss the review and it was expected to be completed by the end of the year.

The report was **noted**.

30/2008 **POLICE STAFF PENSION SCHEME – DRAFT VALUATION RESULTS**

Agenda Item 8

Mr Hemmings said he had heard since writing the paper that it had been accepted that the employer covenant had not been correctly stated and would be changed. This would mean that the scheme was in surplus not deficit. The contribution rates were as predicted and an increase in contributions was not anticipated.

Mr O'Toole said that the pension management company should be advising on life expectancy changes and any updates that may need to be made to the scheme, as with people living longer this could be a drain on the scheme.

Mr Hemmings said that he would be having discussions on these issues.

The report was **noted** and Mr Hemmings was authorised to finalise the employer's response to the valuation.

31/2008 **AOB**

Agenda Item 9

There was no AOB.

DATE OF NEXT MEETING: Tuesday 18th November 10.00am

Signed…….

Chairman