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BRITISH TRANSPORT POLICE

REPORT TO: British Transport Police Authority
DATE: 9 December 2009
SUBJECT: Draft Medium Term Financial Plan 2010/11- 2012/13
SPONSOR: Chief Constable
AUTHOR: Director of Finance & Corporate Services

1. PURPOSE OF PAPER

- 1.1 This report sets out the current budget projections and Police Service Agreement (PSA) funding requirements for the period of the Medium Term Financial Plan (MTFP) 2010/11 to 2012/13 and the Revenue Budget proposals for 2010/11.

2. BUDGET PROJECTIONS

- 2.1 Meetings have been held of the Strategy, Budget and Performance Monitoring Committee (SB&PM) Committee on 22 October and 11 November 2009 to review the prospects for budget requirements and PSA funding over the course of the MTFP 2010/11 to 2012/13. Following consideration of pressures on the budget and options for savings, the SB&PM Committee has given guidance that the draft MTFP should be prepared on the basis of an increase in PSA funding of 1.3% in 2010/11 but no increase in 2011/12. No specific target has been set for 2012/13.
- 2.2 Based on this guidance, the current MTFP projections are set out in **Appendix A**. Notes on the items within this summary are set out in **Appendix A (i)**. This Appendix includes only the budgets related to expenditure of BTP. A separate report on the expenditure of the British Transport Police Authority (BTPA) will be submitted by the Chief Executive at the January meeting.

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- 2.3 The base position for the projection is the approved revenue budget for 2009/10. It is currently anticipated that the outturn for 2009/10 will result in a small underspend of £0.4m arising from the reduced staff pay award in 2009. However, the SB&PM Committee on 11 November 2009 recommended that this be used to strengthen the BTPA reserves. The budget for 2009/10 is therefore likely to be fully applied. The ongoing saving arising from the reduced pay settlement is already factored in to the MTFP projection.
- 2.4 The projection allows for inflationary pressures and the full year costs of projects already approved and in progress including the London North Custody Suite. Provision has also been included to allow for the unbudgeted costs of legal expenses and employment tribunal awards totaling £0.3m per annum and the policing of events associated with the build up to the Olympic and Paralympic Games of £0.5m per annum in 2011/12 and 2012/13. Further provision has been included for process reviews and project implementation costs of £0.4m per annum in order to progress the *Frontlinefirst2* Programme to identify cashable savings.
- 2.5 The budget projection also includes the outcome of reviews to identify savings in FHQ services. These total £3.664m of permanent savings. Details of the specific items together with a risk rating and description of the operational impact were reported to the SB&PM Committee on 22 October 2009. At that time, the total savings were reported as £3.778m. Since then further review and analysis of the proposals and the risks associated with them, has identified amendments that need to be made and these have led to this slight reduction. The individual proposals are attached as **Appendix B** to this report. Further comment on these savings is included in paragraph 3.
- 2.6 A further £0.69m is needed to be identified in 2010/11 in order to balance the proposed PSA funding level. This is increased from the figure of £0.576m reported to the last SB&PM Committee because of the reduction of £0.114m in the FHQ savings review. A one-off contribution to this of £0.36m is likely to be achievable from savings in the Engaging Police Staff (EPS) Project obtained by implementing this from 1 July 2010 subject to approval of this recommendation in the related paper that is included separately on this meeting's agenda.

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- 2.7 The balance of £0.33m will need to be met by further savings to be identified in year. As was reported to the SB&PM Committee on 11 November 2009, this saving could be found either through a reduction in headcount (potentially by a reduction in the numbers of 'core-funded' Police Community Support Officers (PCSOs) through natural wastage, thereby harvesting the efficiencies realised in the first year of the *Frontlinefirst* Programme), or for example by reduction in overtime budgets across areas. Work will continue to be undertaken to find alternative savings opportunities, but budget reductions of this type may well be necessary.
- 2.8 In 2011/12, the BTPA budget does benefit because the final instalment of loan repayment in respect of the £10m loan advanced by the Department for Transport (DfT) in 2006/07 will be made in 2010/11. The budget requirement reduces by £1.8m as a result of this factor. However, in order to contain the PSA funding requirement with no increase from 2010/11 a further £3.389m of permanent savings will be required.
- 2.9 The *Frontlinefirst2* Programme has the objective of identifying savings to meet this target. The approach adopted and areas of review under consideration are outlined in **Appendix C**. This will undoubtedly be a challenging task for BTP to achieve. The *Frontlinefirst* Programme has been running for two years now and the most readily available savings have already been secured. The savings proposals of £3.664m for 2010/11 in FHQ services will have already placed those services under considerable pressure to meet service delivery requirements. Whilst further savings can be achieved, the difficulty of identifying and securing those savings should not be underestimated.
- 2.10 In keeping with many large scale efficiency programmes, it may be necessary to incur investment costs to achieve further potential savings. Various initiatives would be possible if funds were available to invest in infrastructure for CCTV or IT systems etc. Reorganisation to achieve operational efficiencies may also require investment in buildings and facilities. Consideration should therefore be given to funding arrangements to facilitate Invest-to-Save proposals.

3. BUDGET SAVINGS IDENTIFIED

3.1 A key element in the development of the budget strategy for 2010/11 has been the contribution of the *Frontlinefirst2* Programme in identifying savings proposals. In keeping with the principles of the programme (to preserve, as far as practicable, front-line service delivery on operational Areas), BTP Headquarters' departmental heads were each required to present plans to deliver the equivalent of 5% of their revenue budget in sustainable cash releasing efficiencies in time for the start of the 2010/11 financial year. These plans were subjected to rigorous scrutiny through a 'Challenge Panel' process chaired by the Deputy Chief Constable.

3.2 The Challenge Panel process identified a total of £3,663,893 of potential efficiencies that could be achieved with varying levels of risk associated with them. These are categorised as either operational or organisational risks (depending on where the primary impact occurs) and severe, significant or moderate (dependent on the degree of impact). The potential savings for each risk category are:

• Severe (Operational):	£304,000
• Significant (Operational):	£796,222
• Moderate (Operational):	£231,372
• Severe (Organisational):	£124,000
• Significant (Organisational):	£305,000
• Moderate (Organisational):	£1,903,299
Total	£3,663,893

3.3 All of these proposals are assumed to be put into effect and are reflected in the draft budget for 2010/11. Detailed descriptions of the risks associated with each proposal are outlined in **Appendix B**.

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4. 2010/ 11 INFLATION ASSUMPTIONS

4.1 The budget projections in **Appendix A** are based on the following inflation assumptions.

- i) Police officers pay award in 2010 at 2.55% as already nationally agreed by PNB
- ii) All other police and staff pay awards based on an increase of 1.5%
- iii) General price inflation over the MTFP period of 1% per annum.

4.2 It remains very difficult to forecast future inflation rates. In 2009 rates have been at historically very low levels. There have also been discrepancies in the various measures of inflation with the latest Retail Price Index (RPI) indicating a negative rate of minus 0.8% whereas the Consumer Price Index (CPI) indicates a positive level of plus 1.5%. These figures represent an increase in inflation from the September position of RPI at minus 1.4% and CPI at plus 1.1%.

4.3 A major factor in the fall of RPI indices over the last year has been the reduction in interest rates that have impacted on reduced mortgage costs. Even if interest rates do not start to increase, the current Bank of England base rate of 0.5% cannot continue to fall and this stabilisation will tend to increase the level of the RPI. In practice it is also likely that some increase in the base rate will be experienced in 2010.

4.4 The world wide recovery from the economic recession is also likely to reduce the deflationary pressures that have existed over the last year and further increases in fuel and energy costs beyond those experienced recently can be anticipated. Given these factors, it is very unlikely that RPI will continue to be negative in 2010/11 and modest inflation can be anticipated.

4.5 Although the fare increases for the rail industry are linked to the RPI, account also needs to be taken of the CPI because that is the measure that is recognised as the headline inflation index by the Government and is generally used to influence pay awards. Also, because interest rates do not impact significantly on the BTP budget, the CPI is closer to the inflation actually experienced by BTP.

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- 4.6 The rate of CPI, like the RPI, can be expected to rise in 2010/11. This may well mean that the inflation assumptions included in the budget projection for pay awards and price increases are optimistic. On the other hand, Central Government can be expected to attempt to restrain public sector pay as part of its efforts to restore public finances irrespective of the outcome of the General Election in 2010.
- 4.7 For 2010, pay awards should be within the budget forecast. The police pay award has already been agreed and the staff pay award is controllable within agreed limits. For future years there is more uncertainty. The PNB negotiating machinery will determine the police pay award in a national agreement. The three year agreement that has been in force ends in 2010 and it is uncertain how negotiators will approach the next pay settlement. Whilst the staff pay award is directly within BTP's control, account will need to be taken of the overall level of settlements including the industry comparisons made in reviewing the pay scales as part of the EPS Project.
- 4.8 General inflation may also be higher than the 1% now factored in to the budget. In particular, energy and fuel costs may well rise; property costs of rents, rates and insurances are difficult to influence; and many other prices are not within the direct control of BTP. A sensitivity analysis of a 1% variation in the inflation assumptions built in to the budget is given in the table below. These assumptions will need to be kept under review and may need to be compensated by offsets in other budgets to keep within approved budget limits.
- 4.9 The table overleaf assumes that the 2010 pay awards are known so that the fluctuations only apply to general price increases and the pay awards for 2011 and 2012. In 2011/12 there is a part year effect of the 2011 pay awards and in 2012/13 there is a full year of this award plus the part year effect of the 2012 award.

Inflation Sensitivity analysis

	2010/11	2011/12	2012/13
	£000	£000	£000
Police pay awards +/- 1%		610	1,740
Staff pay awards +/- 1%		500	1,170
General inflation +/- 1%	400	805	1,210
Total	400	1,915	4,120

4.10 As can be seen above, if all of the inflation assumptions were understated by 1%, additional savings of £1.915m would be required to hold the PSA increases proposed in 2011/12 adding to the £3.389m already identified as required to hold the PSA with no increase from 2010/11.

5. OTHER BUDGETARY ISSUES

5.1 Police officer pension scheme revaluation

5.1.1 The police officer pension scheme is scheduled for re-valuation in December 2009. The recent economic market conditions will have had an impact on the assets of the scheme and it will be necessary for the BTPA to consider how it can deal with the underlying financial position of the scheme. Whilst the outcome of the valuation will not be known until mid 2010, any action will need to be in place for the 2011/12 financial year.

5.1.2 At this stage any accurate financial quantification is not possible, not only because the financial environment in which the valuation is being undertaken is changing and uncertain but also as there may be opportunities to consider some of the benefits in the scheme not just the employer contributions. Nevertheless, it should be noted that the general fall in equities and asset values over the last year is likely to have a significant impact on the valuation of the fund that will have to be addressed from 2011/12.

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5.2 Enhanced PSA pressures

5.2.1 **TfL** - The Chief Constable has received a letter from Transport for London (TfL) giving notification of an objective to reduce its funding to BTP by £3.4m in 2010/11. This is a significant reduction and an initial meeting has been held between the Chief Constable and the TfL Commissioner to discuss possible approaches.

5.2.2 **HS1** – Reductions in the numbers of officers provided in this Enhanced Police Service Agreement (EPSA) were negotiated with HS1 with effect from September 2009. A letter has just been received from the Company requesting a further reduction of 33% in the charges made. The current total EPSA is for £5.5m per annum so that savings of this order would equate to approximately £1.8m.

5.3 Capital Financing Charges

5.3.1 A review of the accounting procedures for dealing with financing of capital expenditure and DfT capital grants has identified that there is scope for reducing the net cost charge in the BTPA accounts by a revised accounting treatment.

5.3.2 Since its inception, the BTPA has undertaken a programme of investment in capital assets that has been funded by a general capital grant advanced by the DfT. The Capital Programme has been constrained within the amount of grant available so that all capital expenditure has been financed by grant.

5.3.3 All purchases of assets costing more than £1,000 are met from the Capital Programme. This threshold is actually very low for an organisation the size of BTP. It was set at this level initially because of limited resources to fund purchases from revenue.

5.3.4 The accounting principles applied in the BTPA accounts are governed by the Financial Reporting Manual (FReM) issued by the Treasury for all Central Government agencies including Non Departmental Public Bodies (NDPBs). The BTPA auditors work to this document to ensure that the FReM has been followed.

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- 5.3.5 All fixed assets acquired through the Capital Programme are depreciated in the normal way and the charge for this depreciation is reflected in the BTPA accounts. Normally any grant received to finance capital expenditure is written down in the revenue accounts in line with the depreciation charges. Following guidance included in the FReM, the grant received from the DfT has not been written down in this way. However, applying a different interpretation of this guidance, it would be possible to apply the grant to offset the depreciation charges incurred. This would reduce the net charge in the BTPA accounts.
- 5.3.6 At the same time it would be opportune to review the threshold applied for treating purchases as capital expenditure. If the threshold were raised to £10,000 it would allow greater scope for operational assets to be charged directly to the revenue account thereby reducing the pressure on the Capital Programme. This would be in keeping with accepted practice and represents a more logical financing arrangement.
- 5.3.7 The revised approach does need to be confirmed with the BTPA's auditors and the DfT although a preliminary indication from the auditors supports the arrangement proposed.
- 5.3.8 The total depreciation charges that would be offset by the revised treatment of capital grant in the 2009/10 budget amount to £8.1m. Of this, if the above arrangements were to be implemented, £2m would be needed to regularise the capital threshold limit. Consideration then needs to be given to use of the remaining £6m.
- 5.3.9 Members will be aware of the severe financial pressures facing all Train Operating Companies (TOCs) as a result of the economic recession, restrictions on fare increases and downturn in the growth of passenger numbers. The funding released by the revised accounting treatment could be taken into account in considering how the BTPA can assist in responding to this situation.

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6. INVEST-TO-SAVE PROPOSALS

- 6.1 As noted in paragraph 2.10, the *Frontlinefirst2* Programme may need to access funds in order to deliver additional savings on an Invest-to-Save basis. Further opportunities may also arise as part of the ongoing management of BTP. Examples of the type of investments in mind include the following items:
- 6.1.1 CCTV infrastructure to provide for Area-based viewing equipment and improved connectivity would improve the effectiveness of operational data obtained from the new hub currently being developed at Ebury Bridge. Investment is required to establish a data transmission network that is capable of accessing rail operators CCTV and moving CCTV data across BTP.
- 6.1.2 Business benefits include live viewing of major pre-planned events such as football matches, New Year's Eve etc. Incident response management and post incident investigation work could be improved and intelligence gathering would assist policing performance. Additional resources of circa £2m would be required to establish networked CCTV capacity at 12 major centres across the country including London, Birmingham, Manchester and Glasgow.
- 6.1.3 In the IT Department, the Electronic Document Record Management System (EDRMS) has been under consideration for some time and will be essential for full compliance with the National Police Improvement Agency (NPIA) requirements for data exchange with other police forces under the IMPACT Programme. The use of the system should also lead to efficiencies in improved handling of paper records. Full roll out of this system is likely to cost £0.3m.
- 6.1.4 A substantial investment is also required to provide a robust IT Disaster Recovery back-up environment. At present BTP is exposed to significant risk in the event of a major event at its HQ locations. No costing has been assessed for this at present and further investigation of potential options is required.

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- 6.1.5 The roll-out of Personal Digital Assistants (PDAs) that has been funded by the NPIA could be further enhanced by upgrading the PDAs to allow for email communications. Replacement of the initial PDAs will be needed in due course and this could be done in conjunction with an upgraded facility.
- 6.1.6 Investment in business intelligence and process re-engineering could also lead to further cost savings but requires additional staffing resource to develop the required infrastructure.
- 6.1.7 In the Estates Portfolio, development at Blundell Street to meet BTP's storage requirements could enable savings to be made in storage costs. Energy efficiency and environmental developments could also lead to cost savings and address Health and Safety concerns in a number of locations.
- 6.2 In order to provide a source of funds for schemes of this nature, it is proposed that a fund is established within the budget of £3m for this purpose. This could be funded by the savings achieved arising from the revised accounting treatment of capital grant.

7. RESERVES POSITION

- 7.1 Concern has been expressed on various occasions about the level of reserves held by the BTPA. For the BTPA, there are three revenue reserves held on the Balance Sheet. The General 'Distributable Reserve' represents the accumulated balance of the Income and Expenditure account carried forward from year to year. The BTPA will not have a balance in this reserve as it decided to use the net surplus of £1.6m in 2008/09 to reduce the PSA in 2009/10.
- 7.2 A Contingency Reserve was established in 2007/08 with a balance set up in that year of £1.4m. This Reserve was set up with the consent of HM Treasury and the DfT to provide for unexpected events such as major incidents and crimes to reduce the impact of these events on a single year's budget. Approval was given for this reserve to have a balance up to £3m.

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7.3 In addition, an amount of £6.5m is held as a Working Balance Reserve. The source of this reserve was a payment by the DfT in 2004/05 when the sum was advanced to meet a cashflow problem. There has been some ambiguity as to whether the advance was a grant or a loan that has never been clarified. However, at present there no indication from the DfT that this amount will need to be repaid.

7.4 In view of the complexities of the various issues that impact on the BTPA reserves, including any impact that may arise from the revised accounting treatment of capital grant, it is proposed to undertake a comprehensive review and report further in the Spring when the 2009/10 Outturn is known and there is greater clarity on funding arrangements including an update of the Police Pension Fund revaluation.

8. RISK ANALYSIS OF BUDGET PROPOSALS

8.1 The risks associated with specific proposals are referred to above and are set out in **Appendix B**. There is also a financial risk if the savings identified cannot be fully realised either because of implementation difficulties or operational requirements dictate that some costs cannot be avoided.

8.2 The budget projection incorporates the financial savings arising from the Human Resources (HR) Transformation Project on the basis that this can be fully implemented by 1 April 2010. This is a major project and depends on a number of elements being progressed satisfactorily. At present the project is on schedule but any delays that arise may reduce the savings achievable in 2010/11.

8.3 The report to the SB&PM Committee on 22 October also identified a number of increasing pressures for which no additional funds are available. These include: Level crossing safety; Protective Services (dealing with major crime and vulnerable people); Public Order policing pressures relating to environmental protests and anti Muslim/Islamic protests and demonstrations; CCTV utilisation and application of new technology; an Operational Resilience Fund; development of a Single Confidence Measure in line with HMIC

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requirements; and improvement of the Stakeholder Engagement Programme. None of these pressures have been allocated additional funds to enable an increase in resources to be applied so that there are risks to operational performance on the issues identified.

- 8.4 The potential for inflationary pressures to be higher than budgeted are outlined in paragraph 3 above.
- 8.5 For 2011/12, there is a risk that the *Frontlinefirst2* Programme does not identify cashable efficiency savings to cover the savings requirement if the PSA is to be held at the 2010/11 level. In this event, it would be necessary to consider staff savings initially focussed on support staff or PCSOs to meet any funding shortfall. In broad terms costs of support staff or PCSOs amount to £25,000 per head so that a reduction of 40 staff would be required to fund £1m of savings.
- 8.6 In mitigation of the financial risks in 2010/11, the reviews being carried out by *Frontlinefirst2* Programme may result in some savings being realised earlier than originally planned.
- 8.7 Recognising that the identification of savings is an ongoing process and that operational considerations may impact on the achievability of some proposals, flexibility will be needed for the Chief Constable to direct resources to meet operational priorities within the overall resources approved in the Revenue Budget for 2010/11.

9. DRAFT CAPITAL PROGRAMME

- 9.1 The DfT agreed to provide funding to support the capital programme for three years from 2008/09 by phased grant of £33m. 2010/11 is the last year of this three year agreement. Preliminary discussions have been held with representatives from the DfT and they consider it prudent for BTP to plan on receiving grant at around £30m for the next three year planning period. Whilst this is a reduction of 10%, it is in line with the spending plans given to the DfT by the Treasury.

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9.2 A draft capital programme was submitted to the SB&PM Committee on 11 November 2009 but further work is necessary to review requirements and prioritise projects within the resources available. It is proposed to bring the final programme to the SB&PM Committee early in 2010.

9.3 The revenue running costs of schemes within the current draft programme have been incorporated within the MTFP. Any changes to that programme will need to be within the revenue funding available.

10. CONCLUSION AND RECOMMENDATIONS

10.1 The MTFP proposals for 2010/11 – 2012/13 and the budget proposals for 2010/11 have been formulated within the background of the economic recession and major financial pressures on the railway industry and the public sector in general. This represents a significant reversal of the conditions in which BTPA resources have been enhanced since its inception in 2004/05.

10.2 There have been considerable improvements in performance from the levels being achieved in 2004/05 that were generally recognised as being unsatisfactory. There has also been a substantial growth in railway activity and demands placed upon the police service. The increased resources approved over this period have been a critical factor in delivering those results.

10.3 The proposals in the draft MTFP and Revenue budget represent an aggressive approach to identifying cost savings and there are risks to the achievement of service delivery inherent in those proposals. Every effort will be made to maintain and if possible continue to improve standards but this will clearly be more difficult as resources are constrained. Members therefore need to recognise this situation and note the implications of the savings proposals.

10.4 Flexibility should be retained for the Chief Constable to direct resources to maintain performance standards and to utilise alternative measures to reduce costs where these can be identified.

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10.5 The ongoing programme to improve efficiency and reduce costs will require investment to achieve results. The revised accounting arrangements for capital financing charges provide an opportunity to establish an Invest-to-Save fund of £3m per annum without further increasing the budget requirement.

10.6 Members are invited to:

10.6.1 Consider the proposals submitted in order to limit the PSA increase in 2010/11 to 1.3%.

10.6.2 Consider the risks associated with the specific items identified in **Appendix B**.

10.6.3 Consider the establishment of an Invest-to-Save fund of £3m within the budget financed by the revised accounting treatment of capital financing charges.

10.6.4 Note that it is planned for there to be no increase in the PSA charge in 2011/12.

10.6.5 Note the *Frontlinefirst2* Programme of reviews to achieve further savings in 2011/12.

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Appendix A

Medium Term Financial Plan 2010/11 - 2012/13

Net Budget approved 2009/10 (excl. BTPA)

Inflation

Police pay 2,745
Staff pay 12
Price increases including VAT rate change 1 Jan 2010. 1,000
Total Inflation costs 3,757

Full year effects of current approved budget

Ongoing running costs of capital projects

North London Custody provision - Add for full year 385
South London Custody provision 600
Other Estates projects 210
IT Developments and Equipment 198

Total additional running costs 793

Other full year effects

Dept for Transport loan 100
Various items including PDA replacements (47)

Total Other budget issues 53

HR Transformation Project

Additional Budget pressures

Process reviews and project implementation costs 400
PSD legal costs and Employment Tribunal Awards 300
Events policing 500

Total new budget pressures 700

2009/10 Savings Target

Budget provision to be identified 1,509
Less savings achieved (65)
Savings target outstanding 1,444

FHQ Savings Review

Further savings to be identified

Total PSA Funding Requirement 202,176

	2010/11 £000	2011/12 £000	2012/13 £000
Net Budget approved 2009/10 (excl. BTPA)	201,181	201,181	201,181
Inflation			
Police pay	2,745	4,930	6,630
Staff pay	12	680	1,360
Price increases including VAT rate change 1 Jan 2010.	1,000	1,355	1,710
Total Inflation costs	3,757	6,965	9,700
Full year effects of current approved budget			
Ongoing running costs of capital projects			
North London Custody provision - Add for full year	385	385	385
South London Custody provision		600	800
Other Estates projects	210	210	210
IT Developments and Equipment	198	298	398
Total additional running costs	793	1,493	1,793
Other full year effects			
Dept for Transport loan	100	(1,700)	(1,700)
Various items including PDA replacements	(47)	500	500
Total Other budget issues	53	(1,200)	(1,200)
HR Transformation Project	(1,398)	(1,854)	(1,854)
Additional Budget pressures			
Process reviews and project implementation costs	400	400	400
PSD legal costs and Employment Tribunal Awards	300	300	300
Events policing		500	500
Total new budget pressures	700	1,200	1,200
2009/10 Savings Target			
Budget provision to be identified	1,509	1,509	1,509
Less savings achieved	(65)	(65)	(65)
Savings target outstanding	1,444	1,444	1,444
FHQ Savings Review	(3,664)	(3,664)	(3,664)
Further savings to be identified	(690)	(3,389)	(3,389)
Total PSA Funding Requirement	202,176	202,176	205,211

PSA Funding implications

Net Budget approved 2009/10

Less amount funded from reserves 1,600
Approved 2009/10 PSA 199,581

PSA Funding requirement as above

Year on year increase

	2010/11 £000	2011/12 £000	2012/13 £000
Net Budget approved 2009/10	201,181		
Less amount funded from reserves	1,600		
Approved 2009/10 PSA	199,581		
PSA Funding requirement as above	202,176	202,176	205,211
Year on year increase	1.30%	0.00%	1.50%

APPENDIX A (i)

Revenue Budget 2010/11 – Reasons for variations from Base Budget 2009/10

Explanatory Notes:

1. Net Budget approved 2009/10:

This is the approved budget level funded from standard PSAs excluding the BTPA budget. A further report on the BTPA budget will be submitted by the Chief Executive to the January meeting. This will need to be taken into account in finalising the total budget and PSA funding requirement for 2010/11.

2. Inflation:

This is based on the known pay award for police officers at 2.55% in September 2010 and all other awards for both police officers and staff at 1.5%. For general inflation an assumption has been made of 1% increases annually plus the impact of VAT being reinstated at the rate of 17.5% on 1 January 2010.

3. North London Area Custody Provision:

Provision was made in the 2009/10 budget for a part year costs of running the new custody facility in the London North Area. The scheme is expected to be fully operational in 2010/11 and the provision included is for the additional funding required.

4. London South Area Custody Provision:

A project to provide custody facilities in the London South Area was previously envisaged to be progressed in 2010/11. In order to reduce costs this has been deferred to 2011/12. The provision included in that year is a part year cost of a new custody suite. The plans for this will need to be reviewed in the light of experience in the London North Area and demand at that time.

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5. Other Estates projects:

This is to provide for the building running costs of a new extension at Derby and a replacement for the current facilities at Stratford.

6. IT Developments and equipment:

This relates to software licences and maintenance of various system developments undertaken by the IT Department on behalf operational managers.

7. Dept for Transport loan:

The DfT advanced a loan of £10m in 2006/07 that is being repaid by installments. The installment in 2010/11 increases from the £1.7m paid in 2009/10 to £1.8m but that is the final repayment so that it drops out of the budget requirement in 2011/12.

8. PDA replacements:

Personal Digital Assistants (PDAs) have been rolled out to police officers funded by grant from the National Police Improvement Agency (NPIA). However, these have a life of two to three years and a replacement programme will be required to maintain this facility.

9. HR Transformation Project:

This saving reflects the fact that this project is now largely complete. The figures are based on the revised Learning & Development (L&D) structure and service delivery arrangements being in place by April 2010. Alternative arrangements need to be finalised for the Dog School currently at Tadworth but all other aspects are on schedule for this timeframe. The 2010/11 budget contains provision for dilapidations to be paid when the Tadworth premises are released but this is subject to negotiation and every effort will be made for this to be minimised.



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10. Additional Budget Pressures:

Additional provision is proposed to facilitate the process reviews being undertaken by the *Frontlinefirst2* Programme to identify efficiency savings. Budget provision is required for PSD legal costs and Employment Tribunals that are currently unfunded. Further provision is also included to allow for the cost of policing events being held in the run up to the Olympic and Paralympic Games.

11. Savings proposals:

The exercise required to identify savings in 2009/10 has been absorbed within the FHQ Challenge Panel proposals to find savings in FHQ Departments. The savings now identified have been included in the budget savings detailed in **Appendix B**.

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Appendix B

FHQ DEPARTMENTAL EFFICIENCY PROPOSAL SUMMARY

Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Crime Portfolio	A 5% reduction in the SSU mainstream budget	Significant (Operational)	61,779	BTP has invested in a Scientific Support Unit (SSU) which delivers the majority of requirements internally and is far more cost effective than outsourcing. A reduction in services (submission and analysis of exhibits etc) has the potential to adversely impact BTP's crime detection performance, credibility and reputation
Crime Portfolio	Remove eight posts (funded vacancy gaps) The posts are: 1 DS & 1 DC MIT 1 DS SB 1 DS 1DC CIU 2 Researchers FIB 1 Supervisor Justice Directorate	Significant (Operational)	309,443	Risks have been mitigated by sharing responsibilities among remaining staff- Abstracting officers from Areas onto major crime and backfilling where necessary from other FHQ Crime posts. FHQ Crime has responsibility for undertaking investigations into major, serious and organised crime; known as <i>Protective Services</i> . Cutting the establishment in these areas will reduce BTP's capacity and capability to undertake critical investigations effectively. This is likely to expose BTP to reputational risks where critical incidents may not be dealt with effectively and could result in the loss of confidence by victims, families of victims, witnesses, other forces and



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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Crime Portfolio				<p>the rail industry. (The Stephen Lawrence Inquiry demonstrated a similar issue within the Metropolitan Police Service). Any reduction in establishment is also likely to have a significant impact on BTP's ability to provide Force Intelligence Bureau support across the country. There has never been a contingency to support major crime investigations despite identified demand and previous budget bids. This means that when Major Investigations occur overtime, travel and other exceptional costs are incurred above the basic budget provision. In the first three periods of 2009/10 the Crime Department experienced such major investigative demand and went into an overspend position. The holding of the eight vacant posts has enabled it to manage the budget back to a balanced position. However the consequence has been that it has had to abstract Area staff on two recent cases, <i>Op Transposal</i> and <i>Op Justice</i>. This is not desirable and one of the reasons for establishing the MIT was to prevent Area abstractions from front-line policing. The risk going forward is that without the necessary funding contingency or the eight resources, the Crime</p>

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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Crime Portfolio				Department will continue to need to abstract from Areas on a more regular basis. This may affect Area performance and the quality of central investigations going forward.
Crime Portfolio	Remove a Detective Sergeant post from the Crime Team Post is DS MIT.	Significant (Operational)	70,000	<p>This will have a significant impact in terms of the management and direction of resources and ensuring compliance with powers and procedures, potentially impacting BTP's ability to respond to major crime effectively.</p> <p>The comments included in the previous proposal regarding the lack of an adequate contingency to support major crime apply on a similar basis to this saving. This impacts on Areas by requiring abstractions to deal with major operations.</p>
Crime Portfolio	Remove a Detective Sergeant post from the Covert Investigations Unit Operational Covert Supervisor Sharing the responsibilities among the remaining supervisors.	Significant (Operational)	70,000	There are minimum standards set by the NPIA for the deployment of covert assets on any operation, insufficient resources increases the risk and can compromise any investigation. This could damage BTP's reputation and the level of confidence the public and stakeholders have in BTP. Additionally this impacts directly on BTP's ability to respond effectively to major crime and to identify



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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Crime Portfolio				<p>and minimise risks to the railway environment.</p> <p>The comments included in the previous two proposals regarding the lack of an adequate contingency to support major crime apply on a similar basis to this saving. This impacts on Areas by requiring abstractions to deal with major operations.</p>
Crime Portfolio	<p>Remove a Chief Inspector Post</p> <p>DCI Support to OCT/ECU/CIU and SIO.</p>	Moderate (Operational)	81,372	<p>Reduction in senior CID resilience including on-call for major crime will expose BTP to reputational risk in the event that the initial response to a major crime is not undertaken professionally and effectively. It will also lead to reduced capacity to undertake major crime and cold case reviews; to undertake review and update (where necessary) of major crime policies; and undertake audit and compliance inspections across the force. It will also lead to reduced capability to plan, coordinate and execute national operations including multi-agency metal theft operations. Finally it will reduce the capacity to liaise with Network Rail, TOC's and other partners in respect of crime related initiatives.</p>

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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Crime Portfolio	Remove a Detective Inspector post (Holmes)	Moderate (Organisational)	76,647	This work would need to be reallocated across other areas of responsibility within the HOLMES function with the resulting reduction in capacity in that function.
Crime Portfolio	Withdraw external consultancy support funding (Three posts)	Moderate (Organisational)	82,862	The work undertaken by the consultants will need to be shared across SMT representatives within Crime. This includes significant pieces of work critical to policy and operating procedures. There is currently very limited capacity within the FHQ Crime Department to research and formulate critical policies and standard operating procedures without affecting operational capacity and senior leadership of major crime investigations. Up-to-date and effective policies are subject to review during HMIC, IOCCU, OSC, NAO, and ad-hoc inspections. Failure to maintain these policies is likely to lead to adverse comment through publication of the external inspection reports, some of which have a very high public profile and as a consequence could expose BTP to reputational risk.



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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Crime Portfolio	Remove a Detective Sergeant post (Training)	Moderate (Organisational)	56,057	Crime training within BTP is already at a reduced capacity; compounded by the current skills gap which has been identified through the Force Training Board. i.e. Crime Training has recently been reduced by one trainer. The audit of skills has identified these skills gap throughout the Force. An audit across the organisation has revealed a lack of skilled staff in key areas such as first responders, proceeds of crime, critical incidents, major crime investigation and MIR staff. Any future dilution of training capacity and capability will compound existing weaknesses. Many of the Crime training areas are specialist in nature and are required in order to ensure BTP has accredited staff trained to the recognised national standard. Training delivered by in-house resources is more cost effective than outsourcing to other forces or providers.



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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Operations	Withdrawal of central football tasking funding	Severe (Operational)	200,000	<p>This budget was itself created from efficiencies made across the Operations Department over the past two years and has been used to support operational delivery by all seven Areas. The removal of this funding takes away this support and the flexibility it provides to use overtime payments, particularly essential when resources are required at short notice and in times of high demand. An additional area of impact will be upon the provision of FHQ based officers deployed to events. FHQ Operations has been allocated a KPI to provide serials from officers within FHQ portfolios each week (it is currently exceeding the KPI). This is a direct operational efficiency as officers are warned with notice, or rostered to avoid rest day overtime payments. However FHQ officers will inevitably incur overtime as these deployments often require working long shifts, for example, such as when working as a travelling serials. The tasking budget supports FHQ Departments which do not have overtime funds available.</p>



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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Operations	Reduce funding for Operations sponsored projects	Significant (Organisational)	230,000	Currently there are two major projects being funded through the Operations management budget and resources would need to be provided from SDD if funding was withdrawn. (Please see comments under SDD regarding this alternative).
Operations	Reduce staff employed on delivery of Control Room Phase II Project	Severe (Organisational)	37,000	This post would maintain the updated locations on the NSPIS system that are crucial to the deployment of resources. This is an ongoing process as new and amended locations are identified constantly. The IT Department is currently not resourced to carry out this work which will become more crucial as BTP rolls out Incident Exchange with other forces. The Operations Department will not be able to fill this post if funding is removed for the current PSG5 (although the new post has already been graded as PSG4 which would provide a £7,000 saving).

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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Operations	Reduce the police staff training budget	Significant (Operational)	50,000	This funding has been providing training for police staff within FHQ Operations Department which is not funded through the HR Learning & Development budget. There is some risk to operational delivery in CRC/FCC/FCRs and CT.
Operations	Reduce spend on public order equipment issue for new officers	Significant (Operational)	20,000	Current practice is that the Operations Department purchases and supplies all public order equipment. Areas are already expected to recycle existing equipment where appropriate. It is the intention to limit the amount of funding available to each Area and reinforce this approach. It must also be recognised that PO training is currently not compulsory.
Operations	Reduce funding for Operational equipment	Significant (Operational)	100,000	Historically this budget has been required to fund additional and significant equipment purchases across BTP. There will be operational implications should this funding stream cease. This budget has been used recently for equipping and training a new "Working at Height and Protestor Removal Team"; review of the DRAX operation and the purchase of improved leg guard protection for public order trained personnel. The type of

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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Operations				operational equipment funded by this budget will still have to be purchased by Areas.
Operations	Remove a Chief Inspector post	Significant (Organisational)	75,000	The current post holder has been fulfilling a joint role as both CI CT and leading on policy development across the Operations portfolio working on issues such as Tasers. It was intended to recruit a second CI to focus on the development of critical operational policy and to plan and deliver both the planned pilot and any subsequent roll-out of Taser within BTP. If, as a result of this review, funding for this post is removed BTP will need to find alternative funding to manage the implications of any decisions to roll-out Taser. Given the breadth of responsibility within the Operations Department that already exists, there would be significant risk in making this an additional burden on current staff.
Operations	Withdraw consultancy funding for Neighbourhood Policing Partnership Unit	Moderate (Operational)	10,000	This work is directed at preventing the radicalisation of Islamic extremists within communities and institutions in the country and has various alternative sources of funding.



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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Operations	Reduce FHQ Operations consultancy budget	Moderate (Organisational)	30,000	Minor impact on Operations Department ability to deal with resourcing project work.
Operations	Remove one PSG3 post from the FHQ DMS Team	Moderate (Organisational)	20,000	Minor impact.
Operations	Remove three Call Handler posts from within the First Contact Centre	Moderate (Organisational)	75,000	Minor impact.

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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
ICT Department	EDRM licensing	Moderate (Organisational)	70,000	None.
ICT Department	Global crossing extension contract ~ BT lines	Moderate (Organisational)	34,000	None.
ICT Department	Global crossing extension contract ~ Telephone and Data charges	Moderate (Organisational)	110,000	None.
ICT Department	Termination of low-use telephone and data lines	Moderate (Organisational)	100,000	None.
ICT Department	Termination of low use Wide Area Network (WAN) connections	Moderate (Organisational)	100,000	None.
ICT Department	IT Hardware budget reduction	Moderate (Organisational)	17,000	Further provision allowed for in new supplier contracts.
ICT Department	Remove Staff Bonus Payments	Moderate (Organisational)	70,000	Risk in staff retention.
ICT Department	Reduction in use of temporary staff	Moderate (Organisational)	40,000	Risk in covering vacancy gaps.



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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
PSD	Withdraw Temporary staff budget (saving will be realised from baseline budget).	Significant (Operational)	40,000	This option would limit PSD's effectiveness as the temporary staff budget is normally used to cover positions within PSD where there is only one individual who carries out a particular function or where instructions are given by the DCC to utilise temporary staff for a particular investigation, or to deal with particular performance issues. The temporary staff budget has been used to provide analytical cover, civil case management cover and to deal with an upsurge in FOI/DP requests where BTP was failing in its statutory duty to respond to timescales laid down.
Civil Contingencies	Civilianise one Inspector post (Project Planning)	Moderate (Operational)	40,000	This post can be civilianised to reduce cost, with the reduction in the existing level of support mitigated through increasing the responsibilities of other police officers in the Unit.

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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Finance & Corporate Services	Reduction in Building Maintenance expenditure	Significant (Operational)	75,000	Reduction in spend would be targeted at low priority maintenance activities. Essential and urgent maintenance work would not be prejudiced.
Finance & Corporate Services	Reduce Temporary staffing budget	Moderate (Organisational)	26,000	None.
Finance & Corporate Services	Rent Reduction for premises (Central to Blundell St)	Moderate (Organisational)	210,000	None. Relocation has been achieved without impact on operations.
Finance & Corporate Services	Capitalisation of consultants and temporary staff cost for projects	Moderate (Organisational)	75,000	None. Corresponding increase in capital expenditure will reduce resources for Capital Programme.
Finance & Corporate Services	Non pay budget savings ~ payroll contract	Moderate (Organisational)	18,000	Minimal. However may delay some internal administrative responses in relation to queries raised.
Finance & Corporate Services	Banking process improvements & 1 FTE removal	Moderate (Organisational)	35,000	None.
Finance & Corporate Services	Restructure to dissolve Income Generation post	Moderate (Organisational)	35,000	Minimal. However may delay some internal administrative responses in relation to queries raised.

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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Finance & Corporate Services	Change supplier for contract database services	Moderate (Organisational)	10,000	Minimal. During database changeover renewal and re-tender reminders to budget holders will cease for a period of time.
Finance & Corporate Services	Withdraw consultancy for spending analysis	Moderate (Organisational)	6,000	None.
Finance & Corporate Services	Dissolve the balance of the central hire budget	Moderate (Operational)	100,000	There may be an impact on Area/Departmental budgets, particularly where there is a need to hire a car following a major incident, although in such cases the requirement should be passed through Level 2 tasking (FHQ).
Finance & Corporate Services	Reduce service intervals as agreed at vehicle board	Moderate (Organisational)	135,000	Minimal. Providing everyone is aware of the changes.

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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Strategic Development	Reduce consultancy budget by 57%	Severe (Organisational)	60,000	SDD consultancy spend has been primarily used to train its and other departments staff in the theory and application of the LEAN methodology, which is BTP's recognised method of identifying and realising efficiency savings. A risk associated with this efficiency option is that a high turnover of the more senior and experienced consultancy staff means that SDD would lack the ability to manage the larger and more demanding <i>Frontlinefirst2</i> work streams without external; support. The department would not be able to provide consultancy support to other departments experiencing a cut in their consultancy budget.
Strategic Development	Reduce training budget by 30%	Moderate (Organisational)	15,000	There is a risk that a reduction in the training budget will increase staff turnover.
Strategic Development	Reduction in establishment of 2/5 of one unit head	Moderate (Organisational)	47,000	A risk in relation to the reduction of SDD's ability to provide in-house training force wide (e.g. project management, LEAN thinking) and mentoring, and would also struggle to manage the larger and more demanding <i>Frontlinefirst2</i> work streams without external support.

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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
Strategic Development	Reduce travel & accommodation budget by 38%	Moderate (Organisational)	5,000	Management Services consultancy staff, in particular, are required to travel widely to facilitate business change activity. The Quality of Service team is also required to travel to Areas to facilitate and contribute to forums concerned with victim and customer confidence and there are many other ad hoc requirements to travel and work away from FHQ. Although it is hard to accurately predict what the demand for travel and accommodation will be for 2010-11, there will be risks around the delivery of the <i>Frontlinefirst2</i> Programme if staff do not have the mobility to visit outlying Area HQ and stations to carry out the required work to realise efficiency savings.
Strategic Development	Withdraw temporary staff budget	Moderate (Organisational)	10,000	The main reason for the use of temporary staff within SDD is to provide cover for the lower grade jobs within the department, which have traditionally seen the highest staff turnover, meaning that administrative tasks would either not be covered or would necessitate the diverting resources from other areas of SDD.

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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
HR Operations	Reduction in Legal costs budget for Tribunal cases	Severe (Organisational)	27,000	This would restrict access to expert legal advice and is likely to result in BTP losing Employment Tribunal cases, potentially increasing the cost of settlements and damaging BTP's reputation.
HR Operations	Move Officer protection Training (OPT) to Area's - save recruitment of 6 staff posts	Severe (Operational)	104,000	Risk non compliant with HMIC guidelines on a central training model.
HR Operations	HR Business Centre 10% Budget Reduction	Moderate (Organisational)	96,733	HR would be unable to respond to the business if demand for recruitment increased. There would be an inability to respond to unpredicted turnover of staff.
HR Operations	Reduction in HR Services budget	Moderate (Organisational)	14,000	Future unexpected gaps in HR Staffing levels will not be able to be filled on a temporary basis causing a reduced service during the period taken to recruit to fill vacancies.
HR Operations	Renegotiation of Wellbeing service contracts (£54,000 from 2011/12)	Moderate (Organisational)	54,000	Potential reduction in the level of service provided i.e. counselling, could lead to increased sickness absences.

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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
HR Operations	Reduction in Consultancy budget relating to Business Centre	Moderate (Organisational)	10,000	Will need to use newly proposed SDD consultancy gateway (please see comments regarding SDD consultancy).
HR Operations	Reduction in Consultancy budget relating to Employee Relation	Moderate (Organisational)	30,000	Will need to use newly proposed SDD consultancy gateway (please see comments regarding SDD consultancy).
HR Operations	Reduction in Consultancy budget	Moderate (Organisational)	11,000	Will need to use newly proposed SDD consultancy gateway (please see comments regarding SDD consultancy).
HR Operations	Reduction in Diversity budget of 10%	Moderate (Organisational)	13,000	None. Greater use of internal skills to perform traditional consultancy roles.
HR Learning & Development	Reduction in HR Training budget	Moderate (Organisational)	28,000	Refer to Learning & Development.
HR Strategy & Performance	Dissolve Staff Survey budget	Moderate (Organisational)	9,000	Minimal impact.
HR Strategy & Performance	Reduction in subscription budget	Moderate (Organisational)	5,000	None. Rationalisation of current subscriptions.

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Department	Proposal	Risk Rating	£ Total	Operational / Organisational Impact
HR Strategy & Performance	Reduction in Travel budget	Moderate (Organisational)	15,000	None. This is reliant upon consultation in relation to the free Virgin passes currently used within HR (as negotiated direct with TOC).
HR Learning & Development	Deliver advanced Crime interviewing training in house	Moderate (Organisational)	55,000	None.
HR Learning & Development	Reduce the funding for staff self development (e.g. Degree's etc)	Moderate (Organisational)	10,000	Impact on retaining staff in relation to career development and their future ambitions.
HR Learning & Development	Re-negotiate NPIA charging model	Moderate (Organisational)	30,000	None. Opportunities to seek further economies of scale through purchasing.
HR Learning & Development	Reduction in overtime when move to Holloway Road complete.	Moderate (Organisational)	14,000	None.

Appendix C

ONGOING FRONTLINEFIRST2 PROGRAMME

1 Overall approach

1.1 In order to address the requirements for further budget savings in 2011/12 and to ensure maximum efficiency in the delivery of police services, the original *Frontlinefirst* Programme has been refocused to concentrate more heavily on cashable savings. Members will recall that BTP outlined its plans to deliver further efficiencies at the special BTPA meeting on 22 July 2009. These involved the application of a comprehensive and structured approach through the *Frontlinefirst2* Programme to identify further efficiencies through the use of the following workstreams:

- Application of resource leverage tactics as outlined by Her Majesty's Inspectorate of Constabulary (HMIC) and the Audit Commission (AC).
- 'End-to-end' business process review and re-engineering using BTP's LEAN¹ methodology.
- Reviewing proposals for efficiency savings from FHQ Portfolios/Departments.
- 90-Day Thematic (root and branch) Scrutiny Reviews of key functions and activity.
- Strengthening Project Gateway Reviews².
- Comparative benchmarking of BTP's service delivery against appropriate Home Office forces and/or other public sector agencies.
- Identifying opportunities for further workforce modernisation.
- Examining the potential for structural changes to increase capacity and capability to improve service delivery.

¹ A methodology that enables the identification of activity that adds value to BTP by removing unnecessary processes or activities and supporting effective change to deliver sustainable continuous performance improvement.

² Based on the Office of Government Commerce (OGC) Gateway Review process that delivers a "peer review" in which independent practitioners from outside the programme/project use their experience and expertise to examine the progress and likelihood of successful delivery of the programme or project.

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1.2 The FHQ reviews to identify savings for the 2010/11 revenue budget were the in the initial phase of this programme. The following elements are now being adopted to identify savings required in 2011/12 and beyond.

2. Thematic Reviews

2.1 These evaluate areas of significant spend within BTP and identify improvements to control frameworks to aid cost reduction and capitalise on all potential economies of scale opportunities. The following specific areas are being covered:

2.2 Overtime has been reviewed and final recommendations that are in the process of being implemented include:

- A review of recording processes for overtime spends to facilitate a standardised process
- Further research and promulgation of best practices in regard to financial management structures
- Further research into the causes of variations in average overtime spend per officer within BTP
- Further research into the variations in overtime spend per officer within BTP compared to Home Office forces
- Central guidance on setting overtime budgets to facilitate a standardised and reliable process.

2.3 Training / Meeting Room / Hotel Accommodation / Business Travel and Subsistence: Work has commenced to identify more cost effective modes of transport, the potential to introduce video conferencing, a standardised approach to vehicle hire and procuring more cost effective rail travel.

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- 2.4 Temporary (Agency) and Contract Staff Costs/ External Consultancy: A report has been submitted to the Director of Finance and Corporate Services recommending that the current BTP definitions of 'consultant' and 'contractor' are reviewed together with the current procedures for engaging external consultants, including proposals for the introduction of a 'gatekeeper-function' in Strategic Development Department (SDD) for the procurement of external consultancy services.
- 2.5 Specialist Deployments - Comprising of: Counter Terrorism Units / Criminal Justice Units / Major Investigation Team / Economic Crime Unit / Organised Crime (Cable Theft) Unit / FHQ Complementary Policing Unit / Dedicated Intelligence Source Units: A thematic review will be initiated, as part of the *Frontlinefirst2* Programme, to review these units in detail and determine best value models for providing these policing services coupled with recommendations for change as appropriate.
- 2.6 The progress and governance of the *Frontlinefirst2* Programme will be scrutinised and monitored through BTP's Programme Board and by regular reports to the BTPA.
- 3 **'End-to-end' Business Process Reviews –**
These continue with 'end-to-end' business process reviews (which comprise of feasibility & analysis) within the Crime and Operations Portfolios of the following:
- 3.1 The Intelligence Review is aimed at identifying sustainable efficiency savings through the articulation of role based intelligence requirements for all roles in BTP followed by the redesign of intelligence products, structures and systems. In adopting this approach, the review aims to meet the requirement for efficiencies without reducing the quality of intelligence output. The Strategic Command Team has agreed that a target of at least 20% cash releasing savings (estimated to be in the region of £1m) from this review is pursued. The majority of this work is planned to be undertaken during 2010/11 in order to ensure that savings are realised in time for the start of the 2011/12 financial year.

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- 3.2 The First Contact / Control Rooms / Crime Recording and Management processes have now been mapped to capture the current state 'as-is' processes and identify opportunities for improvements. A senior stakeholder workshop was held on the 8 and 9 of November to review the project and determine what can be achieved in potential savings and process improvements. Early indications are that any efficiency realised as a consequence of this review may be required to deliver additional demand associated with increased telephone investigation of crime and the implementation of BTP's Policing Pledge together with the development of related confidence measures. The majority of this work is planned to be undertaken during 2010/11 in order to ensure that savings are realised in time for the start of the 2011/12 financial year.
- 4 **Comparative benchmarking of BTP's service delivery against appropriate Home Office forces and/or other public sector agencies.**
- 4.1 Activity within this work-stream will include supporting the development of the 2010 HMIC *Working for the Public* inspection. This inspection will be designed to test whether BTP's workforce is led, organised and developed in the most economical, efficient and effective manner to achieve outcomes for the public. The inspection methodology that HMIC will use will include drawing together evidence of learning and good practice both from within and beyond the police service and will be tailored to reflect BTP's role as the specialist police service for the railways.