

# BRITISH TRANSPORT POLICE AUTHORITY

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## **MINUTES POLICE AUTHORITY TUESDAY 1<sup>ST</sup> MARCH 2005**

**at  
BMA HOUSE, TAVISTOCK SQUARE, LONDON**

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**Present:** Sir Alistair Graham (Chair)  
Sir David O'Dowd  
Mr M Holden  
Mr L Adams  
Mr J King  
Mrs W Towers  
Mr K Ludeman  
Suzanne May  
Mr M Brown  
Mr R Gisby  
Ms C Knights  
Ms J Lewis-Jones  
Mr C Foxall

**In attendance:** Mr I Johnston, Chief Constable  
Mr A Trotter, Deputy Chief Constable  
Mr P Robb, Assistant Chief Constable  
Mr P Nicholas, Assistant Chief Constable  
Mr D McCall, Assistant Chief Constable  
Ms S Budden, Director of Finance and Corporate Services  
Mr C Garbett, Deputy Director of Finance and Corporate Services  
Mr S Thomas, Director of Human Resources  
Mr P Zieminski, Chief Superintendent, Strategic Development  
Mr A Pacey, Chief Superintendent, Programme Management  
Mr M Furness, Head of Strategic Planning and Policy Co-ordination  
Ms M Daniels, Deputy Head, Strategic Planning and Policy Co-ordination

**Mr R Hemmings, Chief Executive & Clerk  
Ms D McGovern, Deputy Clerk and Minutes  
Mrs L Pike, Treasurer  
Ms L Bryant, Personal Assistant**

08/2005 [Minutes of Meeting 18<sup>th</sup> January 2005](#)  
09/2005 [Matters Arising/Actions Outstanding](#)  
10/2005 [Committee Papers](#)  
11/2005 [Audit & Corporate Governance Committee 23.12.04](#)  
12/2005 [Professional Standards Committee 12.01.05](#)  
13/2005 [Strategy & Performance Monitoring Committee 25.01.05](#)  
14/2005 [Stakeholder Relations & Communication Strategy Committee 09.02.05](#)  
15/2005 [Human Resources & Remuneration Committee 15.02.05](#)  
16/2005 [Chief Constables Report](#)

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Not Protectively Marked

17/2005	<a href="#">Approval of Plans</a>
18/2005	<a href="#">Strategic Plan</a>
19/2005	<a href="#">Policing Plan</a>
20/2005	<a href="#">Approval of 2005-6 Budget</a>
21/2005	<a href="#">Budget Setting Process</a>
22/2005	<a href="#">2005/6 Capital Budget</a>
23/2005	<a href="#">Police Authority 2005/6 Revenue Budget</a>
24/2005	<a href="#">Member Training</a>
25/2005	<a href="#">Changes Review</a>
26/2005	<a href="#">Cases of Interest</a>
27/2005	<a href="#">Recovery of VAT</a>
28/2005	<a href="#">AIRWAVE</a>

**08/2005 MINUTES OF MEETING 18<sup>TH</sup> JANUARY 2005**

Agenda Item 1

The Authority received and approved the minutes.

**09/2005 MATTERS ARISING/ACTIONS OUTSTANDING**

Agenda Item 2

79.2004: Checklist for Members – ongoing  
89.2004: Payment for PCSO travel – to ATOC board  
06.2005: Franchise information – discharged

All other items discharged.

**10/2005 COMMITTEE PAPERS**

Agenda Item 3

The Authority reviewed the presented Committee minutes.

**11/2005 AUDIT & CORPORATE GOVERNANCE COMMITTEE 23.12.04**

Agenda Item 3.1

- Discussed FHQ relocation
- Interviews were being held for Internal Audit 9<sup>th</sup> March 2005
- Finance restructure was ongoing, some positions now filled with temps and Interim Deputy Finance Director in place
- Aim was to have unqualified opinion on the accounts

**12/2005 PROFESSIONAL STANDARDS COMMITTEE 12.01.05**

Agenda Item 3.2

- Disappointment with the report produced
- Meeting that afternoon to discuss what was required

**13/2005 STRATEGY & PERFORMANCE MONITORING COMMITTEE  
25.01.05**

Agenda Item 3.3

- Discussed the HMIC baseline and what it entailed

**14/2005 STAKEHOLDER RELATIONS AND COMMUNICATION STRATEGY  
COMMITTEE 09.02.05**

Agenda Item 3.4

- Discussed feedback from baseline audit
- General feedback would be given to all PSA holders, and general and specific feedback to those who participated
- Disappointed no start date forthcoming for RSSB study

**15/2005 HUMAN RESOURCES & REMUNERATION COMMITTEE 15.02.05**

Agenda Item 3.5

- Attendance of Senior Team helpful
- Milestones useful, will be concentrating on the high risk items  
Key areas to look at were diversity and training
- Interviews had been held for the three for key roles. 3 offers made and 2 accepted. All were external
- Response rate for the Staff survey was discussed

- Fitness of police officers was raised and discussed

**16/2005 CHIEF CONSTABLES REPORT**

Agenda Item 4

- 7/9 targets being met, with robbery within reach. Disappointment was the organisational targets
- Some money had been secured from Home Office for FPN's which was well received.
- HMIC Baseline: the Chief Constable presented a table showing how BTP compared with other Forces inspected by same HMI. BTP had only 5 goods, whilst all the other Forces were in double figures. This shows BTP to be performing less well than other Forces. This showed the Force in a poor light comparatively speaking.
- The Western area was to be renamed Wales and Western
- The Chief Constable had raised the issue of tax concessions for those TOCs with specials but was not hopeful.
- The Race Equality Scheme was due to be published ahead of schedule.
- Control rooms: the impact of the interim budget was to take this from unacceptable to good and had resulted in a clear improvement in performance.

**17/2005 APPROVAL OF PLANS**

Agenda Item 5

The Chief Constable confirmed that the points from previous discussions had been embraced in the revised plans.

**18/2005 STRATEGIC PLAN**

Agenda Item 5.1

Mr King suggested adding "and process" to the account management. This was agreed. Mr Holden asked for details of how the revenue budget fed through into the Policing Plan. The Chief Constable provided feedback on this, commenting that the Plan

- Sought to enhance the Force's capabilities.
- Addresses concerns about visibility.
- Improves the use of forensics.
- Improves the Force's performance around robbery detection.
- Invests in counter-terrorism.
- Improves the infrastructure.
- Increases the Force's efforts in relation to anti-social behaviour.

The budget proposals were designed to deal with all of this. Mr Holden suggested that some of the items in the Plan were how to do things, and would not cost money. The issue was raised that the Plan could not be agreed as the resources had not been agreed. Mr Hemmings advised the meeting that the course of action was to approve the Plan, then approve the budget to resource the Plan. If the budget was not agreed, then the Plan would need to be revisited. Mr Ludeman stated that the Plan was rightly high-level,

but what was lacking was the detailed business cases to support it. Sir Alistair felt it was quite late in the day to raise these issues, and suggested the Plan be approved as it stood, with revisions to specific items if necessary. Mr Gisby supported Mr Ludeman, and stated it was usual to approve the budget before the plan. Mr Adams stated they were starting to argue against the cost of the plan not the plan itself, and reminded the Authority they had previously spent time looking through the Plan. Sir Alistair commented that it was the first time through the process for the Authority, and work could be done to establish how do better for next time. The Strategic Plan was approved.

It was further agreed that a Group of Members should be established to review how the process had worked and how it would be managed in the future.

**ACTION: Secretariat to arrange**

**19/2005 POLICING PLAN**

Agenda Item 5.2

Ms Lewis-Jones commented that for next year the emphasis on managing relationships should be a key element. The Policing Plan was agreed, subject to possible revision in the light of the final approval of the budget.

**20/2005 APPROVAL OF 2005-6 BUDGET**

Agenda Item 6.2

**Revenue Budget**

Sir Alistair opened the discussion by suggesting Members begin with the Strategic Assessment of 2005-6 Revenue Bids (Item 6.2), and discuss all items over £500K, and any other items Members wished to discuss.

The Chief Constable began by stating that following the January meeting, all bids had been reviewed, and the Chief Executive & Clerk and Treasurer had been involved in the process. This review was carried out in the context of the Authority's decision to front-load the programme, check deliverability, confirm savings and identify capital dependencies. In preparing the revised proposals, account had been taken of the Authority's concerns about the scale of the changes. As a result the scale of the increases had been reduced from £43.9million to £37million (a reduction from 35% to 29%) bearing in mind the risks associated with not undertaking a project, and in particular the increased threat around terrorism. The Chief Constable stated that below this level, there would be increasing risks of not addressing the legacy issues effectively. In preparing the HMIC baseline assessment, the Force had undertaken their own benchmarking (the comparative chart was circulated to the meeting and is in the Minute book) which showed how far below other forces the BTP were.

On the issue of deliverability, The Chief Constable reminded the Authority that HMIC had not said BTP did not have the capability to deliver, but that they did not have the resources. Where money was not required to fund a programme, such as with managing sickness, the Force had been successful in achieving its targets. Where money had been made available, such as the money from DfT for the Alpha cars, BTP had delivered on time and on budget. The Chief Constable further cited the examples of having recruited 151 PCSOs from scratch in 6 months, and the major investment in LU staff which required a significant change management programme. A programme office had been established and would be fully resourced in order to deliver all projects on time and budget. The Chief Constable commented that roughly half of the bids would be delivered out on Areas, therefore the whole programme was spread over the Force, not just at the centre.

The Chief Constable stated the Force had identified £1m in cashable savings, and a further £2.4m in terms of releasing officers back to the frontline (approx. 50 officers). This was on a par with efficiency savings made by Home Office Forces, who had had a period of growth compared to BTP's legacy of under funding. The Chief Constable pointed out that if the capital funding was not forthcoming, staff resources would be needed to support the creaking systems, and further, if the single crime recording project was unfunded, £250K efficiency savings would be lost. The Chief Constable concluded by stating that if the Authority wanted to deliver the Strategic Plan and the Police Plan, this was the viable budget.

Mr Ludeman stated he was concerned that the report used the term "minimum budget", and questioned how robust the figures were. He further commented he still lacked clarity on the interaction between capital and revenue budgets. Sir Alistair said that he had seen the Permanent Secretary to discuss capital funding, but that the Secretary of State was still not in a position to give any figures. Sir Alistair expected that the DfT would move beyond the £5.4m previously suggested. The Chief Constable confirmed that there would be costs over which he would have no control, but would have to comply with. This might include a new Criminal Justice IT system, although the Chief Constable pointed out that the Force had been successful in securing funds from the Home Office for FPNs. Mr Gisby asked what capital commitments had already been entered into. He was informed this was FHQ relocation, Airwave, ICCS and PCSO dog vans.

Mr Holden commented that on an Area basis, the cumulative effect of the smaller bids came to over £500K. The Chief Constable provided feedback on the specific bids for Areas – for example, there was a weighting to London North and London South because of the crime patterns. Ms Knights confirmed that there needed to be an effort to support Areas particularly with regards to the perceptible difference in counter-terrorism presence outside London. She

stated this was particularly so in the Area she had responsibility for. Sir David O'Dowd agreed that the Force was starting from a very low base, and agreed that a step change was needed. However, he expressed concern as to whether the Force could cope with such a big increase in man power especially as many of the increases were for specialist units.

The Chief Constable commented that the Metropolitan Police Service had struggled to manage their change programme, but reiterated that a further poor report from HMIC could mean the intervention of the Police Standards Unit, who had the power to impose new governance arrangements on the Force. The Chief Constable was clear he did not wish to be associated with such an intervention.

ACC Robb stated that some of the money in the budget was the continued functioning of Operation Donate. The Operation Donate team had effected 1,000 arrests and 5,000 stop and searches. Losing this resource would not only have a significant effect on the Force's performance, but would also lose the Force the resources received from the MPS, lose awareness amongst rail staff and be detrimental to public reassurance.

Mr Ludeman commented that the Authority had been provided with two very different costs for the move of FHQ, and could these now be confirmed as accurate. Further, would there be room in the new building for the 400-plus new staff? The Chief Constable stated that all criticisms of the FHQ figures had been fully embraced. However he wished to point out that the initial paper clearly stated a lot of the costs were speculative only. With regards to the number of staff housed at the new FHQ, The Chief Constable stated they began looking for a new FHQ 18 months ago, when the staff numbers were considerably less, and therefore their requirements in terms of space were less. This would pose a challenge to the Force, but this had been addressed in the Resource Usage breakdown (the accommodation costs have been included in the proposals, Item 6.2).

Mr Brown commented that it was important that the rest of the Areas be brought some way to the London standard in terms of counter-terrorist resource, and further that there needed to be a balance between losing police officer functions to support staff, and re-deploying these officers where needed.

Ms Budden confirmed that the money for the Estates programme was partly allocated to producing a proper Estates Strategy for the Authority, and partly to deal with the estates needs of existing staff. It was not in any way tied to the delivery of the capital budget from DfT.

**21/2005 BUDGET SETTING PROCESS**

Agenda Item 6.1

It was noted that the Secretary of State had advised the Authority that he was not able to give any guidance to the Authority on revenue funding, which he had been invited to do by the Chairman at recent meeting. The Authority wished their concern about this to be noted. It was further noted that the Chair, the Chief Constable and the Chief Executive & Clerk had made representations to the Department on both the capital and revenue budgets. The Chief Executive & Clerk stated the Authority were required to agree the Overground Budget, the Authority's own budget, and the Capital Programme. The Capital programme would need to be reviewed in light of the final settlement from DfT.

Suzanne May stated she wished to understand more about the risks involved with not setting the Chief Constable's proposed budget, specifically in relation to intervention from the Police Standards Unit. It was confirmed that there were a range of options available, from sitting alongside, through to removing the senior Force management or imposing a separate governance arrangement. It was further noted that if a budget was agreed which did not allow the Chief Constable to achieve an effective Force, there would need to be a good justification for this. Mr Foxall questioned why the risks for so many of the projects had been recorded as low. The Chief Constable confirmed that whilst the risk for that particular project might be low, the cumulative risk was significant. Mrs Towers questioned whether the PSA holders were serious in their threat to go to judicial review. Sir Alistair stated that it had been mentioned as one of a range of options, but that clearly he did not want it to come to that.

Mr Adams stated that safety should be the first priority for the industry, and finance should not be put before it. He stated that the Force had been let down by the previous Committee, and that there were significant risks in allowing the situation to continue. He stated that 1 billion passengers had been carried last year, freight traffic had increased by 46%, but policing had not grown in the same way. Staff and passengers wished to see the railways policed effectively. Mr Adams stated that he realised this was a massive increase and a burden, but that it was needed. Mr Adams stated he supported the proposal.

Mr King endorsed the comments made by Mr Adams, and stated the discussion needed to be in the context of dramatic growth in terms of passenger revenue and freight, and also of increasingly serious route crime and terrorist threat. Mr King stated the performance of the Force had improved recently, but that they were now at a pivotal make or break point. It was agreed that if the Force was not deemed to be effective and efficient, then the Authority would have failed. If the view of the PSA holders was that they could not or would not pay, then this paved the way for increasing pressure to be put on the



DfT. If the budget was not agreed at the meeting, Mr King asked what would be compromised – passengers, staff, freight, revenue, safety or performance. Mr King supported the proposal.

Ms Knights endorsed the comments of Mr Adams and Mr King.

Mr Foxall stated that he was not aware of the history of the previous Committee, but felt the Force was let down by Government, and the Authority was in a dilemma. There was no doubt that everybody wanted a first class police force, and the way the Force is funded needed review.

Ms Lewis-Jones stated that the SRA was dismayed with the size of the increase. She stated that last year's supplementary budget had been seen as one-off charge, but now BTPA were coming back for a second bite of the cherry. Ms Lewis-Jones stated there was widespread concern over BTP's ability to deliver, and that a very close watch would be kept on any likely underspend. Ms Lewis –Jones concluded that the size of the hit would seriously affect relationships and may take a long time to mend. Therefore she strongly urged caution.

Mr Brown stated that a means could be found to exert the greatest leverage on the industry, whether by not agreeing and going to the DfT in conjunction with the PSA holders, or by agreeing and going in conflict with them. Mr Brown wished to note that since the massive investment from TfL:

- Staff assaults had increased only by 29%, compared to 50% increase on London North and 43% increase on London South
- In terms of anti social behaviour, Kings Cross made 271 calls in 2002/3 for aggressive ticket touts, and 53 in 2004/5; Victoria made 149 in 2002/3 and 30 in 2004/5.
- With 3 million passengers travelling every day, the average was now one robbery per day

Mr Brown supported the proposed budget.

Mr Ludeman stated that he felt in an uncomfortable position – he was on the Authority to represent the industry and tell the Authority how the industry felt. In terms of the franchise agreement, it was let on a competitive tender for 10 years. Further, the train companies do not get the benefit of increased passenger growth, as the SRA receive anything over 2%. Therefore income is fixed with little opportunity for cost increases. Mr Ludeman stated he had done his level best to persuade the Chair, the Chief Constable, the Deputy Chief Constable and the Chief Executive & Clerk to defer, but they had not moved. Mr Ludeman stated this was a high risk budget, that he had no confidence the Force would deliver, and that if exceeded, it would cause severe damage to relationships. Mr Ludeman stated there was no mention of affordability, and no willingness to get to a point where agreement could be reached. Mr Ludeman strongly urged the Authority to defer setting the budget so the phasing could

be re-examined, and that he did not approve the proposals.

Mr Holden stated he did not like the way the discussion had turned into an industry versus everyone else discussion. He stated that a partnership approach was vital and that there was no compromise between passenger and staff safety. Mr Holden stated a key issue was the speed at which the efficiencies could be driven through, and that to not consider affordability was akin to raising taxes without an election afterwards. He felt the Force should look at whether what was proposed could be prioritised, or that the decision should be deferred until a meeting had been held with the Secretary of State. Mr Foxall endorsed the view that for the Chief Constable to get what he wanted without a risk of falling out with the industry was a political decision.

Mr Gisby stated that the budget was likely to alienate the industry. With regards to the legacy issues, Mr Gisby stated these appeared to be largely capital issues and therefore DfT's problem. Mr Gisby stated he could not support the proposal today, as he still did not clearly understand the relationship between the capital and revenue streams, and it would be devastating if the Force either over spent or underspent in the first year. Suzanne May stated that she understood a considerable amount of the legacy issues to be dealt with were in relation to support staff, but agreed she was not comfortable agreeing a budget without knowing where the money would come from.

Sir Alistair stated that he had been involved in the Police Committee budget setting process, and had found it highly unsatisfactory. The underfunding was not purely capital; the under funding had led to a highly revenue dominated budget, which could lead the DfT to be forced to get to grips with the capital budget. Indications were that this might be in the region of £8-10m. Sir Alistair stated he realised the importance of positive and constructive relationships, and that the Authority had made inroads into this by the one to one stakeholder interviews. This indicated not enough time was spent with senior people. At the meeting with the three industry representatives last week, Sir Alistair had asked what increase in funding the industry was prepared to accept. The response was that the meeting was not a negotiating forum, and Sir Alistair felt that was a valid response. Sir Alistair stated he felt the Authority's actions in the lead up to the budget were very clear – they had identified a step change was needed and had written to PSA holders of their intention. Sir Alistair felt the decision could be delayed 2-3 weeks if it allowed an agreed position to be reached. However any rephrasing of the budget would mean three hits rather than one. The Chairman admitted to being fairly sceptical about the efficiencies, which was why very early on he had established an efficiency group including Mr Gisby and Mr Ludeman to work on this issue. Sir Alistair stated that if a delay would genuinely allow an agreed solution to be reached, then he would accept that.

Mr Ludeman commented this was what he had been asking for the past week. His aim was to be able to lower the bill and lower the risk, and he would then be able to sell this to PSA holders. Mr Ludeman commented that the industry members were prepared to give their own time to challenge and to help, and he genuinely thought an understanding could be reached.

**AGREED**

1. **The decision about making the budget for 2005/5 be deferred to allow discussions to be held with the industry and the Secretary of State about the phasing of the Chief Constable's programme to implement the agreed Strategic and Policing Plans, in an attempt to reach an agreed position for the 2005/6 budget.**
2. **A further report on the revenue budget for 2005/6 be prepared in the light of the discussion referred to in 1 above for the next meeting of the Authority.**
3. **The Secretary of State continues to be pressed to give a decision on the capital allocation to be made available to the Authority for 2005/6, 2006/7 and 2007/8.**
4. **A further report be presented to the next meeting of the Authority in relation to the capital programme which, in particular, should identify the relationships and independencies between capital spend and the revenue implications.**
5. **A special meeting of the Authority be convened for Wednesday 23<sup>rd</sup> March 2005 at 10.00 am, to consider and agree the revenue and capital budgets for 2005/6.**

**22/2005            2005/6 CAPITAL BUDGET**

Agenda Item 6.3

Not discussed – deferred to 23<sup>rd</sup> March.

**23/2005            POLICE AUTHORITY 2005/6 REVENUE BUDGET**

Agenda Item 6.4

Not discussed – deferred to 23<sup>rd</sup> March.

**24/2005            MEMBER TRAINING**

Agenda Item 7

Mr Hemmings spoke to his report. It was agreed that the training would take place.

**ACTION: Secretariat to proceed**

**25/2005            CHARGES REVIEW**

Agenda Item 8

Mr Hemmings spoke to his report. It was agreed:

- 1) The preferred model would be to use an established proxy. Matrix are to continue to develop this with the Force and the industry
- 2) A meeting would be held with DfT to advise them of the progress and implications

Ms Lewis-Jones requested the SRA be kept in the loop.

**ACTION: Secretariat to proceed.**

PART II – ITEMS TAKEN IN PRIVATE

**26/2005            CASES OF INTEREST**

Agenda Item 9

The Chief Constable spoke to his report.

**27/2005            RECOVERY OF VAT**

Agenda Item 10

**ACTION: Secretariat to proceed in taking legal advice.**

**28/2005            AIRWAVE**

Non-Agenda

It was **agreed** that the Urgency Committee be authorised to take whatever action or decisions were needed, in the light of legal and insurance advice.

**DATE OF NEXT MEETING**

Special Meeting

Wednesday 23<sup>rd</sup> March 2005 at 1000. Venue will be BMA House.

Next Ordinary Meeting

Tuesday 3<sup>rd</sup> May 2005 at 1000. Venue will be BMA House.

Signed.....

Chairman