

BRITISH TRANSPORT POLICE AUTHORITY

MINUTES
POLICE AUTHORITY
23RD MARCH 2005, 10.00AM

at
BMA HOUSE, TAVISTOCK SQUARE

- 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 D McCall, Assistant Chief Constable**
 - 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**
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- Mr R Hemmings, Chief Executive & Clerk**
 - Ms D McGovern, Deputy Clerk and Minutes**
 - Mrs L Pike, Treasurer**
 - Ms L Bryant, Personal Assistant**
 - Ms O Ribina, Meetings Manager**
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- 29/2005 [Welcome](#)
 - 30/2005 [Minutes of meeting 1st March 2005](#)
 - 31/2005 [Budget 2005/6](#)
 - 32/2005 [HMIC Powers](#)
 - 33/2005 [Force Revenue Budget 2005/6](#)
 - 34/2005 [Capital Programme 2005/2006/2007](#)
 - 35/2005 [BTPA Budget 2005/6](#)
 - 36/2005 [APA / ACPO Conference](#)
 - 37/2005 [Budget Process Review Group](#)

29/2005 WELCOME

Non-Agenda

Sir Alistair opened the meeting by wishing to record his thanks to the Secretariat, the Force, Colin Foxall, Christine Knights, Keith Ludeman and ATOC for the work which had gone into the revised budget.

30/2005 MINUTES OF MEETING 1ST MARCH 2005

Agenda Item 1

The Authority received and **approved** the minutes.

31/2005 BUDGET 2005/6

Agenda Item 2

Mr Hemmings spoke to his report, updating Members on the progress which had been made. The report was **noted**.

32/2005 HMIC POWERS

Agenda Item 3

Mr Hemmings spoke to his report, which was provided as background information following requests from the previous meeting. The report was **noted**.

33/2005 FORCE REVENUE BUDGET 2005/6

Agenda Item 4

The Chief Constable reported that the reduced proposals for 2005/06 budget now before the Authority had been arrived at partly by rephrasing and partly by reducing some elements such as redundancy costs as highlighted by Ernst & Young. A total of 31 projects had been removed from year 1, 25 into year 2 and 9 into year 3. The focus had been on maintaining the drive to improve the HR, IT and finance functions, and also visible policing. Some visible policing initiatives had however, been delayed. There would be a loss of efficiencies in terms of the crime recording because this project had been delayed, and a loss of a specific resource to target theft of passenger property, as well as a loss of initiatives to improve detections generally.

In terms of manpower, the number of police officers to be recruited was down from 177 to 118, and support staff down from 237 to 177. The Chief Constable concluded that whilst the Strategic Plan targets were still achievable, this now represented a massive challenge to the Force, as the rephrasing meant the targets would need to be achieved in a shorter time-scale, hence increasing the risk.

The Chair proposed a resolution (attached at Appendix A). The following amendments were **agreed**:

- b) to remove the words "and approve"
- e) to insert a full stop after Policing Plan and remove the remainder of the paragraph.
- g) after "ATOC" add "Network Rail and the SRA and other PSA holders" in all occurrences

- h) to insert at the end “If such proposals are agreed, the Secretary of State would be asked to embody them in a formal direction which would be binding on the Authority”

The Chief Constable wished it minuted that he had highlighted to the Authority the increased risk of meeting the Policing Plan and Strategic Plan targets because of the rephased budget. The Authority reiterated that they had already approved the Strategic Plan and that the targets still remained. It was also noted that none of the projects had been dropped, but they had been delayed.

The Chief Constable’s revised budget was discussed. The issue of a reduced counter-terrorism response outside London was raised by Mr King and Mr Brown. The Chief Constable stated that in having to reduce the budget proposal three times, it was inevitable some difficult decisions had been made. He confirmed that these officers would not have been asked for had they not been needed; however should the daily assessment dictate that resources were required in Scotland, these would be deployed, albeit to the detriment of something else.

Mr Adams stated he was concerned that the amendment suggested to decision (b) would mean that the three year budget could not be approved. He was also concerned to ensure that any efficiencies arising from the reviews should not compromise safety. Mr Adams further commented that the cut-backs in the rest of the industry (for example the withdrawal of funding for specific operations from Network Rail) placed additional pressure on the Authority and the Force.

Mr Ludeman commented that ATOC had approached the process trying to be helpful, and that all 91 projects remained. There was now more confidence that the re-phased recruitment of staff would be more manageable, and that the funding was more realistic. Mr Ludeman stated it was a question of balance, and what was before the Authority now was a more rounded approach which was capable of being achieved. Mr Ludeman concluded by expressing his thanks to those officers who had put a considerable amount of extra work into the process.

Mr Foxall stated he felt the process had been a good one, and although some of the risks had increased, there was no more scope to reduce if the Strategic Plan was to be achieved. Mr Foxall felt the two key risks were the FHQ move and the IT replacement. Mr Hemmings confirmed both these issues had been highlighted to the internal auditors for them to prioritise in the Audit Plan, and Sir David stated both items were now standing items on the Audit & Corporate Governance Committee agenda.

Mr Holden stated he fully supported the Strategic Plan and the Policing Plan. However he felt the issue of efficiencies had not been driven through hard enough and needed to be more focused. He stated he was disappointed with the way the Government had

handled the VAT issue, and supported the move to approach them again on this. Mr Holden concluded that he recognised that the budget proposals provided the investment needed to modernise the Force, but opposed it because the industry felt it to be unaffordable.

Mr King stated he recognised the concerns of the industry, and that both efficiency and effectiveness had been brought out as concerns. He reminded Members that a key theme from the stakeholder interviews was a willingness of senior rail personnel to help and support the Force and the Authority, and that this offer must be taken up.

Mr Gisby questioned whether the capital programme should reflect whatever figure was provided by DfT. It was agreed to keep to the figures of £12.5m, £10m, £7.5m. Mr Gisby questioned what effect this had on the revenue budget. Mr Johnston stated it was difficult to provide detail now, but the reduction from the Force's original assessment of its absolute needs meant some projects would be lost, for example no vehicles could be replaced (resulting in higher maintenance costs) and efficiencies would be lost in document management and forensics.

The Chair asked Members to approve the resolution. It was requested the resolution be split into two parts – part a) relating to the revenue budget and parts b) to j).

Part (a) – approval of revenue budget

10 votes in favour, 3 abstentions.

Parts (b) – (j)

13 votes in favour (unanimous)

It was therefore agreed that:

- a) **The revenue budget for 2005/6 for the Force be set at £200,861,000, comprising £155,555,000 for the overground and £45,306,000 for the underground.**
- b) **The Chief Constable's assessment of the minimum budget increases required for 2006/7 (£18,054,000) and 2007/8 (£12,574,000) as set out in his report be noted.**
- c) **The Authority's budget be set at £1.536,000.**
- d) **The Capital programme be set at £12.5M for 2005/6, £10M for 2006/7 and £7.5M for 2007/8 (individual scheme approvals will be submitted for approval where necessary).**
- e) **The Authority expects the Force to achieve the targets in the Police Plan.**

- f) The Authority expects to see efficiencies materialise from the investment inherent in this budget, as soon as is practicable.
- g) There would be a joint approach with ATOC, Network Rail, SRA and other PSA holders to the DfT to raise concerns in respect of:-
 - i) the possibility of smoothing funding for 2005/6 being made available by DfT, to assist the railway industry to meet the financial pressures of the PSA charges for 2005/06, recognising that if such funding is made available it will need to be repaid in future years.
 - ii) the requirement to make budget provision for depreciation (amounting to £3.2million) even though capital funding is now by way of grant, and whether Treasury rules would allow the Authority to exclude this element from the charges made to PSA holders;
 - iii) the Authority's VAT situation (at a cost of £4.567million in 2005/06).
 - iv) whether the present arrangements for funding the Force are sustainable in the long term.
- h) Agree that proposals be put to ATOC, Network Rail, the SRA and other PSA holders, within the next three months, as to future arrangements for the budget-making process, to include stages when consultation should take place, recognising that the final budget decisions will be for the Authority to take. If such proposals are agreed, the Secretary of State would be asked to embody them in a formal direction, which would be binding on the Authority.
- i) Further discussions take place with Ernst & Young as to the Authority's intention to undertake an efficiency review in respect of procurement.
- j) The Chief Executive & Clerk was authorised to recover payments from PSA Holders in respect of the budget, in accordance with the terms of the Police Service Agreements.

34/2005 CAPITAL PROGRAMME 2005/ 2006/ 2007

Agenda Item 5

The paper was **approved**.

35/2005 BTPA BUDGET 2005/6

Agenda Item 6

The paper was **approved**.

36/2005 APA/ACPO CONFERENCE

Non-Agenda

Mr Hemmings mentioned there was a joint APA/ACPO conference 17-19th May. Details would be circulated to Members if they wished

to attend. It was hoped Sir Alistair would be able to sponsor a table at the evening reception.

37/2005

BUDGET PROCESS REVIEW GROUP

The Chairman referred to the decision taken at the last meeting to establish a small group of Members to review the process whereby this year's budget was set. The Authority had now decided to put proposals forward as to future arrangements, and he was anxious to link these activities and begin the thinking as soon as possible. In preparation for this work, the views of all Members of the Authority will be sought as to their perception of the process thus far.

It was agreed

(i) to establish a Budget Review Process Group:

(ii) the Membership will be:-

Sir Alistair Graham

James King

Michael Holden

Suzanne May

(iii) the Terms of Reference will be:-

- 1. To review the budget process for this year and to learn any lessons as a result.**
- 2. To bring forward proposals for discussion with ATOC, Network Rail, the SRA and other PSA holders about how the industry might be engaged in the budget making process.**
- 3. To consider the extent to which the industry should be consulted about the Authority's intentions for forthcoming budgets, and the processes that should be used to gain their views.**
- 4. To report to the July meeting of the Authority on the above.**

DATE OF NEXT MEETING: 3rd May 2005, BMA House, Tavistock Square

Signed.....

Chairman