
BRITISH TRANSPORT POLICE AUTHORITY

MINUTES

POLICE AUTHORITY

23rd JANUARY 2007, 10.00AM

at

HASTINGS ROOM – BMA HOUSE, TAVISTOCK SQUARE

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

Apologies Mr R O'Toole
Mr J Weimar

In attendance: Mr I Johnston, Chief Constable
Mr A Trotter, Deputy Chief Constable
Mr P Robb, Assistant Chief Constable
Mr A Pacey, T/Assistant Chief Constable
Ms L Scott, HR Director
Mr R Coomber, Temporary Director of Finance and Corporate Services
Mr P Zieminski, Chief Superintendent
Mr N Khinch, Head of Finance
Ms Sue Brown, Programme Management
Mr Brian Gosden, Control Rooms Project
Ms V Delices, Secretariat Manager

Mr R Hemmings, Chief Executive & Clerk
Ms D McGovern, Deputy Clerk
Mr T Phillips, Temporary Treasurer
Ms L Bryant, PA
Mrs S Elvy, Research and Policy Officer
Miss L Barrick, Business Support Manager & Minutes

01/2007 WELCOME AND APOLOGIES

Non Agenda

The Chair gave apologies from Mr O'Toole and Mr Weimar. He outlined the structure he intended to give the meeting, and said the intention was to give the Force a fair indication of the Authority's view on their budget options. A letter was circulated to Members from Mr Muir of ATOC (copy in the minute book).

02/2007 BUDGET PROCESS 2007/8

Agenda Item 1

Mr Hemmings introduced his paper. This gave the legal background to the setting of the budget, and contained the feedback from the budgetary consultation undertaken. Mr Hemmings said the consultation had been wider than the previous year, with workshops being held with passenger groups and TfL as well as the rail industry, but he said there was more work to do around consulting with passengers in the future.

Mr Holden said he felt the key issue to be considered in these budget discussions was the charging model. There was discussion around this.

03/2007 UPDATE ON PERFORMANCE

Agenda Item 3

The Chief Constable said the paper was intended to give useful background information to the budget discussions.

The Force was still hitting nine out of its eleven operational targets, and there had been good news around graffiti and staff assaults, with a high level of detections for both over the last month.

Ms Knights asked if there was any evidence to show that increasing passenger numbers would lead to higher levels of crime. The Chief Constable said that data on crimes per head of population was used by HMIC to measure Force performance. So the underpinning assumption was that "more people" led to "more crime". His own view was that it was a very complex issue but that "more people" usually meant higher levels of demand for police. However number were less important than type and the context in which they were found.

Mr King asked why staff assaults had increased. The Chief Constable said it was difficult to say exactly which factors had caused this to increase. He felt changes in licensing hours played a part, but also the improved crime recording practices within BTP meant more crimes were being captured on the recording system, which may be giving the appearance of an increased number of assaults.

Mr Holden said he was pleased to see the results in Annex B, and the Force had to be congratulated on the improvements it had made around performance. However, he felt the Annex needed expanding to include longer term trends and incident rates to track performance, particularly giving a clearer separation between serious and minor crimes.

The Chair asked what proportion of BTPs resource went toward counter terrorism policing. T/Assistant Chief Constable Pacey answered that the number of suspect package calls had hugely increased along with the number of searches carried out under section 44. He said threats had to be analysed when they arrived at the control room and higher police patrols were making it a much more hostile environment for would-be terrorists. All these factors used BTP

resources and he felt there was value in analysing how this system worked to keep the railways running.

The Chair said he felt it would be useful to have a paper to the next meeting identifying the value and effort of work put into counter terrorism activity, as this would show the clear expense and need for investment. Mr Brown said this may raise the debate of who pays for counter terrorism policing. Ms Knights added that there was a perception that this was a South of England problem, so a geographical perspective would also be useful.

Agreed:

- **The Force to write a paper to go to the next meeting identifying the value and effort of work in to counter terrorism activity showing the clear expense of this area and its geographical nature.**

04/2007 BUDGET PROPOSALS 2007/8

Agenda Item 2

The Chief Constable spoke to his paper which outlined the proposed options for the 2007/8 budget. He gave a brief overview of what the make up of the 2007/8 budget would need to include. The first tranche of the loan to DfT gave an increase of 3%. There were also the growing pressures around wage inflation, fuel costs and the counter terrorism threat. The options laid out in the paper divided costs into three categories; unavoidable growth, desirable growth to complete modernisation and desirable high priority growth to respond to increased demand and changing circumstances.

The efficiency target was suggested to be 2% cashable, which the Chief Constable said was undoubtedly a challenging target. There was also no contingency line in the budget despite the risks facing the Force, such as terrorism, cable theft, disputes and FRS 17.

Capital funding was provided by the DfT.

Option one showed what was needed to achieve the strategic plan in its totality. The Chief Constable said thus far the investment was paying dividends and there was very positive feedback from key stakeholders. Option two would not complete everything in the strategic plan but would include some growth. Option three did not even cover unavoidable costs.

The Chair opened the discussion. He read an email sent by Mr Foxall who had been delayed. Mr Foxall said he felt option two was acceptable, but only if there was agreement with the industry that a common way forward could be found with a long term financial plan. The Chair said the financial plan Mr Foxall alluded to would be key in discussions for the structure of the next strategic plan.

Mr King asked how the 2% efficiency savings would be achieved. The Chief Constable said this would need to be looked at when the budget was set, but there had been improvements in intelligence and criminal

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justice processes which could help and these were areas that the Force would continue to improve.

Mrs Towers asked for clarification on what would not be done in option two around modernisation. The Chief Constable said the reduction was due to phasing the modernisation. Mr Coomber said that it was expected that in 2008/9 the costs, asked for and not funded in 2007/8, for finishing the strategic plan could be absorbed by the efficiency savings from implementing new systems.

Mr Adams strongly endorsed option one as the Authority had endorsed the strategic plan and he felt this should be seen through. He added that there had been unanimous support for the estates paper at the last meeting which had showed 31% of the estate was not fit for purpose and 59% was below standard. Also, the new staff terms and conditions were causing a high level of turnover which was a further cost for the Force and so needed to be addressed.

Ms Knights asked how option two would address those HMIC gradings that were fair but stable, such as for resource management and reducing anti social behaviour (ASB).

The Chief Constable said the Force was committed to improving these gradings and would continue to work toward improving these.

Mr Gisby said there seemed to be a general feeling that modernisation meant an increase in revenue cost but that there should be a decrease in some parts. There needed to be a view of where the investment would end. He asked if costs hit all TOCs equally.

The Chief Constable responded saying the rationale for the model depended on whether BTP was seen as a contractual commitment or a "health service" model. He said the impact would not be equal across the whole Force as the charges formula worked with historic data so never matched current demand as new challenges were presented.

With regard to the end of the high level of investment, this was part of the strategic plan so would stop when the plan ended. For modernisation there were still between 12 and 25% of calls not being answered and the rail industry was also growing. Modernisation would result in efficiencies but investment was required initially to get projects off the ground, and to deal with excess current demand, latent demand and future growth.

Suzanne May thanked the Chief Constable and his team for the clear papers which had been received. She agreed that a longer term financial plan was needed. She asked the Chief Constable if some items were not funded would these only save money in the short term but lead to increased costs in the future. She was also concerned that there was no contingency and asked how likely the risks outlined were to occur.

The Chief Constable said it could be the case that by not making some of the improvements this would cost more in the future. With regard to

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the risks, in particular around disputes, there would not be an issue whilst these were ongoing as the shortfall was expected to be funded by the DfT, but if a dispute were to be settled out of BTPs favour there would be a potential problem if DfT refused to pay. There were many things that BTP faces in a financial year that cannot be planned for and have to be absorbed, for example in the current financial year cable theft had been a huge issue that could not have been foreseen.

Suzanne May said it had to be ensured that the 2007/8 budget decision was not made in isolation, but took these factors into account.

Mr Foxall said a long term financial plan had to be developed and would need to be acknowledged (if not endorsed) by the industry and substantiated by Government. He said he did not know how agreement could be reached but a budget option for 2007/8 should be agreed on the basis of working toward a long term financial plan.

Mrs Towers said before coming to any decision in March she would like to see some information on the consequential costs of not going ahead with the high priority growth, i.e. those items in option one but not option two.

Mr Brown said he agreed with Mr Foxall's views regarding the financial plan. He asked why the efficiency target was 2% and what this included. He was concerned that there had not been a rigorous enough process around setting this. He was also concerned that the refocusing of BTP would increase costs. He felt it had been a good and comprehensive paper. Mr Brown stated that Mr Weimar generally supported option two.

Mr Holden asked how the Force went about recovering money spent on major accident investigations from third parties. He also said he was unclear about why the staff terms and conditions were such a high priority. This had started as a harmonisation bid but been taken over by equal pay legislation and the high turnover. He felt more work needed to be put into finding efficiency savings. He suggested that 3% might be a more challenging target. Mr Holden said the budget assumed everything was fixed when this was not the case, some things were amenable to management control, such as overtime. He said the maximum increase he would support was 9.9% as this was the maximum that had already been suggested to industry funders during the round of consultation undertaken last autumn. However, he felt there was a need to demonstrate to stakeholders that the Authority had listened to the clear message that had been received from its funders and was making some effort to adjust its plans accordingly. So he would want to see the proposed increase being kept some way below the 9.9% level laid out in option two, and felt that the Force should be targeted to produce additional efficiency measures to enable this to be achieved without sacrificing the key elements contained within option two.

Mr Coomber responded that BTP had a very clear sense of direction from the strategic plan and he felt it would be wrong to waiver from this now. Regarding efficiency savings, Mr Coomber said although 2%

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might seem a low figure this was high when compared to some other organisations, and the 2% included only cashable efficiencies. Other non-cashable efficiencies would also continue to be made. He said if the cashable efficiency target went beyond 2% it would simply become cuts.

The Chair said in the context of public expenditure there had recently been higher levels of spending but this was now being scaled back. He said the industry needed to see BTP not as an optional extra but as a key part of the railway infrastructure. He said remarkable progress had been made against the strategic plan, and at the end of the plan there would be a steadier period of spending where the industry would be able to see BTP driving through efficiency. A working group with the industry had been set up and part of the terms of reference was to look at the future partnership and work to constrain future budget increases.

In any future strategic plan, increases would not have to be above inflation and neighbourhood policing would need to be developed. The industry would have to be sure that there would be no surprises. The Chair concluded that he was strongly in favour of option two. He said it was the nature of a police force that there would always be things to improve and build on. For the March meeting he wanted to see a full business plan for control centres and a considered statement on efficiency savings.

Agreed:

- **In principle, a budget including growth of 9.9% (based on option two) be agreed, with a detailed proposal to be presented to the March 2007 Authority meeting.**
- **The Force to provide the full business plan for control centres for the next meeting.**
- **The Force to provide information about consequential costs of not going ahead with the high priority growth.**
- **The Force to provide information on ongoing costs relating to budget items.**
- **The Force to produce a considered statement on efficiency savings.**

DATE OF NEXT MEETING:

Tuesday 6th March 2007 at FHQ

Signed.....

Chairman