BRITISH TRANSPORT POLICE AUTHORITY

MINUTES
STRATEGY, BUDGET & PERFORMANCE MONITORING COMMITTEE
3rd JUNE 2008, 10.00AM

at
G1 & G2 FHQ, 25 CAMDEN ROAD

Present: **Sir Alistair Graham (Chair)**
Sir David O'Dowd
Mr I Dobbs
Mr M Holden
Ms C Knights
Mr J King
Mr R O'Toole
Mr J Weimar

Apologies: **Mr R Gisby**

In attendance: **Mr I Johnston, Chief Constable**
Mrs S Burd, Director of Finance and Corporate Services
Mr P Zieminski, Chief Superintendent
Ms M Daniels, Deputy Head of Strategic Development
Mr S Peel, Performance Analysis Manager
Ms V Delices, Secretariat Manager

Mr R Hemmings, Chief Executive & Clerk
Mrs E Pike, Treasurer
Miss L Barrick, Business Support Manager & Minutes

10/2008 **WELCOME AND APOLOGIES**
Non-Agenda

The Chair gave apologies from Mr Gisby.

11/2008 **MINUTES OF MEETING 12th FEBRUARY**
Agenda Item 1

The Committee received and **approved** the minutes as an accurate record with one small amendment.

12/2008 **MATTERS ARISING**
Agenda Item 2

Progress against the actions was noted.

13/2008 PROVISIONAL REVENUE AND CAPITAL OUTTURN 2007/08

Agenda Item 3

Mrs Burd informed the Committee that the Accounts showed a £1.8M underspend for revenue and £60k underspend for capital in 2007/08. The audit of these figures was in its third week and there had been some minor comments, but nothing to significantly vary the figures reported so far.

Mrs Burd said that doing the soft close in November had been very beneficial and despite initially having been sceptical about the amount of time spent on this process she said a lot had been learnt from it with outcome that it had significantly speeded up the process for the final close. Mrs Burd said she would repeat this method for the 2008/09 Accounts.

The revenue underspend was in line with what had been expected from in-year monitoring. Mrs Burd reported that £1.4M of the underspend would go into the contingency fund. The underspend relating to the police pay award, which was dependent on the judicial review that had been brought by the National Police Federation, would be used towards the cost of a new uniform, and as such would be held separately for the present time.

The Chief Constable said that the result of the judicial review against the Home Secretary's decision not to backdate the police pay award was expected in the next week.

Mrs Burd said that the surplus had been mainly achieved by the Force's ability to reclaim VAT costs on expenditure associated with enhanced police service agreements for the past two years. This had been approved by the HMRC. There had also been an increased contribution towards central costs from London Underground and the reduction in costs for the police officer pay award was also included in the underspend. Mrs Burd confirmed that the only ongoing impact with regard to savings of this nature was money saved on national insurance contributions.

Mr O'Toole asked for further explanation on the London North overspend. Mrs Burd said this was a result of a number of issues, including the fact that the Area had taken on additional police officers over the year; there had been charges for the Criminal Justice Unit at London Underground; there had been a reduction in income following the transfer of Silverlink to TfL. Mrs Burd said that work on the budget was underway

Mr O'Toole asked whether there were any Olympics related costs in the 2007/08 outturn. The Chief Constable said there had been some expenditure on Olympics related activities but there was no money from the DfT for this in 2007/08 and as such it had been absorbed.

Mr Holden asked what the accounting treatment was for those PSA holders who were in dispute and had not paid their bill in full. Mrs Burd said that this was all to one side and they would be recognised

as debtors in the Accounts.

Mr Holden asked what sum of money was involved. Mr Hemmings said that it currently stood at £7.68M, including year to date. Mr Holden noted that this was a material amount.

Mrs Burd continued through her paper. She said that there had been a lot of operational activity towards the end of the year. There had also been a minor overspend on the Forensics budget, due to increased activity.

Sir David asked if Airwave would be dealt with in 2008/09. Mrs Burd said that it would be. With regard to the Grayrigg incident, Sir David asked if the Force would be able to reclaim any of the money spent on the investigation. The Chief Constable said that this would be absorbed. Mr Hemmings said that it would be reflected in the charging model so would flow back to the Area in future charges.

Sir David asked what progress was being made with how the contingency fund would be dealt with. The Chair updated that there were a few points to clarify with the Treasury and then a paper on the governance of this fund would be brought to the Committee.

Mr Holden suggested that with the new VAT arrangements for enhanced PSAs perhaps the Authority could look at having more enhanced arrangements. Mrs Burd said that it was only certain parts of the enhanced PSAs that VAT could be claimed back on.

All recommendations were **noted.**

14/2008 **UPDATE ON THE *FRONTLINEFIRST* PROGRAMME**

Agenda Item 4

The Chief Constable spoke to the paper. The Force was aiming to achieve 6% savings, which amounted to £11M, over the life of the new three years Strategic Plan. The detailed plan for years two and three was under construction.

There had been reviews of the support services but challenge panels had not yet taken place. The challenge panels would look at the work that had been carried out and make suggestions on proposals. The minutes of the challenge panels would come back to the Committee and a report would be written following each panel that would be submitted to the appropriate Committee.

The *Frontlinefirst* Programme had already funded a neighbourhood policing team in London South for a year and had funded teams in Wales and the North East for half a year. The total savings to date had been £3.9M.

The Chief Constable said that the next step was to produce more detailed plans of the timeline for the savings and to strengthen the structure for tracking the progress of savings.

Mr Weimar said until the challenge panels started it was difficult for the Authority to see what was going to be made from this process.

The Chair said that he had met with some of the neighbourhood policing teams and their impact on crime was very positive and demonstrated a causal relationship between neighbourhood policing and crime reduction.

The Chief Constable said that consultants had looked at some of the support functions as part of the programme but their findings had suggested spend to save solutions rather than straight forward savings. As a result the consultants had been asked to return as the outcome did not fulfil the original brief.

Mr Holden said that from his experience the real savings would come from reviewing and refining business processes. He accepted that these were harder to uncover but felt they would make a big difference.

The Chief Constable responded that business processes were being looked at as part of the efficiency reviews. In the HR review a view was being taken across the whole organisation of how business processes work and interact. He added that this would also be a major part of the Supervisors Seminars that would be taking place shortly.

Mr Dobbs said it was vitally important to get buy-in from the senior managers within the Force to ensure that any progress made was maintained and things were not allowed to slip back.

Chief Superintendent Zieminski said the project had reached a point where it had received the support of senior staff. He said there may be some scepticism around the delivery, as plans around this were still being refined, but there was support for the principles. He added that the Force had identified some of the key things that needed to be done to have some early successes, which would help to build confidence in the *Frontlinefirst* programme.

Agreed:

- **The Force to submit reports to the appropriate Committee's following the Challenge Panels.**

15/2008 **STRATEGIC PLAN MONITORING**

Agenda Item 5

The Chief Constable said that there would be a report on progress against the previous plan at the next meeting.

The monitoring document that was attached to the report would be used in the Chief Constable's one-to-one meetings with Area Commanders to monitor progress.

Mr King was concerned that many of the targets were shown as ongoing and he felt that showing a review date would be more

appropriate.

The Chief Constable said that BTP was trying to move into a crime reduction approach and it was difficult due to the anonymity of the railway environment. He added that whilst crime was reducing, fear of crime was increasing due to antisocial behaviour. He added that the operating environment for BTP was complex.

Sir David said that an article recently had suggested that policing was being increasingly politicised with its target driven approach causing the police to concentrate on what were considered the wrong areas. However, he felt this was something that BTP had handled well. Mr Holden said that the Force was also target driven although the targets were different and the Force did not talk about sanction detections. The Chief Constable said that the Force went in for judicial disposals which were similar but the targets were about achievement. Mr Holden was concerned that the Authority and Force needed to ensure that the targets remained meaningful and targeted the right people. The Chief Constable said that the targets were collaborative and highly localised so he did not envisage a problem in this sense.

The Chair added that an important difference was the key stakeholders for BTP compared with the Home Office forces, as the industry see the railway in a commercial way.

The Chair requested that the Committee receive the monitoring report on a six-monthly basis.

Ms Knights suggested that it might be useful to realign Member portfolios in light of the action plan.

Agreed:

- **The Committee to receive the Strategic Plan monitoring report on a six-monthly basis (May/June and November meetings)**
- **The Force to show review dates on the action plans.**
- **Member portfolios be realigned in light of the action plan.**

16/2008 **POLICING PLAN PERFORMANCE**

Agenda Item 6

The Chief Constable distributed a chart showing incidences of knife crime on the railways (copy in the minute book). The chart demonstrated a reduction in the incidences of knife crime since the introduction of Operation Shield.

The Chief Constable said that the Force had performed well against its objectives. He added that there had also been some challenges, such as the Rayleigh shooting which involved organised criminals. However, the Force had apprehended and charged the offenders.

The Force had won a bid to the Home Office for mobile data and been given 800 mobile data devices. The Authority was invited to

monitor the Force's implementation of the use of these devices.

Cable theft was still a big challenge for the Force with the price of copper remaining high. The Force had dedicated cable theft teams working on this crime.

The Chief Constable briefly highlighted some of the main successes. These included, a significant reduction in the number of staff assaults, a 51% reduction in robbery, and a detection rate of 64.8% for hate crime against a target of 55% in the North East Area. Overall crime had been reduced by around 5%.

Mr Holden noted that there were some significant differences in satisfaction levels between areas. The Chief Constable said that some work had been done to investigate this and it had been found that this was largely related to vehicle crime. This had resulted in more work being put into this area as there was some capacity following the achievement of other target areas. However, the difficulty with vehicle crime was that there was a limit to what the Force could do and it required TOCs to increase security for their car parks by installing or improving CCTV and having manned car parks. The Chief Constable said that the difficulty for the Force was whether to put additional resources into a non-target area or risk not achieving satisfaction levels.

Mr Dobbs said that where there had been an infrastructure investment vehicle crime had reduced significantly. He added that at present feedback from passengers was that bicycle crime was a bigger issue than vehicle crime.

The Chief Constable said that he had had discussions with the DfT regarding negotiating the security aspect of infrastructure arrangements as part of franchise agreements but to no avail currently. The Chair suggested that further discussion with the DfT on this matter may be useful.

Ms Knight noted that the Home Office had been offering funding for knife arches and asked if the Force would be putting in a bid. The Chief Constable said that the Force had put a bid in but the arches were quite resource intensive so there was a limit to their use.

The Chair said that he welcomed the good news in the report and congratulated the Force on its achievements.

Agreed:

- **The Force to provide the next Authority meeting with a paper on the implementation of mobile data.**
- **Further discussions to be arranged regarding security matters as part of franchise agreements with the DfT.**

17/2008 UPDATE ON HR MODERNISATION PROGRAMME

Agenda Item 7

Ms Scott said that there had been significant growth in the HR department during 2004/05 and 2005/06 but since this time in real terms there had been a reduction in the HR budget. She added that the HR budget did cover some unavoidable expenses such as the £1M currently paid to ATOC for staff travel. Ms Scott said that it was important to remember that the HR transformation was not simply about reducing cost but was also about improving performance.

Ms Scott said that the centralised model would have a transactional centre in Birmingham with the senior team remaining at FHQ. The model would allow for the local delivery of training as far as possible. There was still more work to be done on how training and development was going to fit into the new structure particularly around whether Tadworth was to be retained.

The transformation was about changing the culture as well as the structure and this would take time to embed. As such, the Force and Authority would need to look beyond the go live date for benefits realisation. Ms Scott added that to aid the process the use IT was being maximised and the estate aspect was being streamlined.

Ms Scott said that she would expect some significant savings for 2008/09 and £1.7M was the target for 2009/10.

The Challenge Panel looking at the HR transformation was due to meet on 27th June.

The Chair asked what the key performance indicators (KPIs) were to demonstrate success. Ms Scott said that one of the challenges had been that there was very little information regarding the volume of HR transactions so it had been difficult to predict the future volume of these. However, from an anecdotal perspective a reduction in complaints and grievances would indicate a better service. Ms Scott added that there were some high level KPIs around recruitment but there was no information about recruitment generally across the Force. The transactional centre would ensure that better records were kept.

Mr O'Toole said he was an advocate for the approach of having managers effectively managing their staff and not relying on HR. However, he said that it was important to consider what culture the Force wanted to create and that the changes were portrayed in the right way.

The Chief Constable said that the culture was around integrity, productivity and wellbeing. The Force wanted to recruit good people, help them develop and retain them. He said that he believed the new structure would fulfil these criteria and the next step would be to increase productivity.

Mr King asked how the effectiveness of managers was measured. The Chief Constable said this was measured through policing plan

activities.

The Chair said that an emphasis would have to be put on supervisory capability when recruiting. Mr O'Toole said it was essential that managers had the skills required to carry out their jobs effectively.

Ms Scott said that there were other things that were happening in HR currently that the paper did not touch but that demonstrated how the above concerns were being addressed. For example, officers who passed their OSPRE part 1 would be put on the leadership programme, and only if they were successful in this would they be able to progress to OSPRE part 2. Also, BTP in Lincolnshire were running an in-tray exercise on managerial issues in their interviews.

Ms Knights said that the HR&R Committee had received a paper on the transformation and discussed similar issues. Ms Knights said that the Committee had endorsed the proposed model at its May meeting.

The Chair said that he wanted to see what success would look like in the long term. He said he would expect to see an impact on staff survey results with an improved HR function. He added that he was in favour of the proposed changes.

Ms Knights said that the HR&R Committee was monitoring the transformation and staff surveys.

Mr Hemmings said that the HR&R Committee had requested a briefing sheet to be distributed to Members on the transformation so that Members could discuss this with their Area Commanders.

Mr Holden asked how the gap was being managed. Ms Scott said that there was a voluntary severance package in place but this was voluntary on both sides so people were not being released until there was cover available.

The report was **noted.**

18/2008 **COLLABORATION – THE BTP CONTEXT**

Agenda Item 8

The Chief Constable said that the Force was engaged in some collaborative arrangements but natural partners for BTP were limited. Training was already shared with City of London Police and some operations were conducted in partnership with the Metropolitan Police Service (MPS). The changes to uniform were also to be part of the Scottish agreement. Ms Daniels said that feedback from the official review was awaited.

The Chief Constable added in the next year's Policing Plan there would be a requirement to say how collaborative arrangements were being worked towards.

19/2008 BTPA FINANCIAL RESULTS 2007/08

Agenda Item 9

Mrs Pike said that the Authority had under spent by around £200k in the year and this made up part of the £1.8M underspend reported by Mrs Burd. The underspend was largely due to the legal costs that had been budgeted for the disputes, which had not been spent as the disputes had not got off the ground in 2007/08. There had also been a small saving in staff salaries as the Deputy Clerk position had been vacant from October. The consultation process had not been as extensive as in previous years following feedback from stakeholders and this had also resulted in a saving.

There had been an overspend on recruitment as both the Director of Finance and Corporate Services and the Deputy Clerk recruitment had been repeated following a lack of suitable candidates.

The report was **noted.**

20/2008 ARBITRATION AND JUDICIAL REVIEW

Agenda Item 10

Mr Hemmings said that both the Judicial Review and the Arbitration would be dealing with some of the same points, but whereas the Arbitration would go into technical detail of how the model works the Judicial Review would focus solely on legal points.

Arbitration

The defence had now been served and there would be further exchanges in the preliminary stages before it was expected that a stay would be announced as the Judicial Review went ahead.

Initially, the Arbitration was to look at whether the Authority could legally do what had been done and whether the model was fit for purpose. It was likely that it would now only consider the latter point, given the Judicial Review.

Judicial Review

The Judicial Review would look at the legalities of the Authority's actions. This meant that the whole process would be more expeditious than if the Arbitration had gone ahead with the possibility of matters of law being pursued thereafter.

The hearing was not expected to take place until the end of the current calendar year at the earliest.

Mr Hemmings said that many of the arguments for both the Arbitration and the Judicial Review would be repeated. He added that all PSA holders had been contacted informing them of the situation and at least one had confirmed that they would be submitting a supporting statement for the Authority, there were also discussions with the DfT who had been updated at every stage of the disputes.

If the Authority lost the Judicial Review there would be implications

for all the PSA holders. The DfT was aware of the consequences that this would have. The DfT had committed to cover any cash flow problems by way of a formal loan. This would be recovered from the parties should they lose and should they win the Authority would have to go back to the model.

Mr O'Toole asked if the consequences had been made clear to PSA holders. Mr Hemmings said that PSA holders had been written to. Mr O'Toole suggested that it would be useful to obtain a legal view about whether the Authority could go back to other PSA holders to recover the shortfall should the Authority lose the Judicial Review, as if it could not all be recovered the DfT would need to be aware.

The Chair agreed with Mr O'Toole that a legal opinion would be helpful. However, he added that the DfT had been involved at every stage of the process around the charging model and the disputes and the Authority had ensured that they were comfortable with the actions taken.

Mr Weimar suggested that it may be worth updating PSA holders on the stage that the disputes had reached. Mr O'Toole added that the amount of money involved should also be made clear.

The Chair said that the Authority should write to PSA holders advising them of where the disputes had reached and making sure that they were aware of the possible consequences.

Mr Holden suggested that for those companies that were not paying their bill in full the Authority could give notice to terminate their agreements. Mr O'Toole agreed that this was a possible option that should not prejudice the outcome of any legal proceedings.

The Chair said that he would discuss available options in this type of situation with the DfT.

Agreed:

- **A legal opinion regarding whether the Authority could go back to other PSA holders to recover the funding shortfall should the Authority lose the Judicial Review be obtained and the DfT be made aware should there be a problem.**
- **PSA holders be updated on the current situation, possible consequences and sums of money involved.**
- **Discussion around the available options to the Authority following partial non-payment of charges by PSA holders be pursued with the DfT.**

21/2008 AOB

Agenda Item 11

There was no AOB.

DATE OF NEXT MEETING: Monday 15th September 11.00am

Signed…….

Chairman