

Report to: Police Authority
Agenda item: 4
Date: 27 January 2011
Subject: Chief Executive Report
Sponsor: Chief Executive
For: Information

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1. Purpose of Paper

- 1.1 The purpose of this report is to summarise the work of the Executive since the last Police Authority meeting to inform Members.

2. Governance Update

- 2.1 The Chief Executive attended a “Governance Workshop” sponsored by the Home Office on the National Crime Agency. This was to identify the function tasking and interfaces of the proposed National Crime Agency with other components of the policing landscape.
- 2.2 With effect from 1 April 2010, the Authority formally adopted the Authority Annual Plan.
- 2.3 The Accounting Officer role has been altered and with effect from April 2010, the Chief Executive was appointed Accounting Officer and he has subsequently appointed the Chief Constable as Additional Accounting Officer. With these transfer of Accounting Officer responsibilities from the Chief Constable to the Chief Executive, it is necessary to formalise the protocols between BTPA and BTP in respect of tasks which require information or functions to be provided by the BTP for the BTPA and vice versa. The SLA, which defined these, was approved by the Authority in July 2010.
- 2.4 The Financial Management Governance Code was presented to the Audit Committee in September 2010 and after incorporating their comments has now been redrafted. The revised code was agreed at the December Audit Committee.
- 2.5 The new scheme of financial delegation was also presented at the December Audit Committee. Feedback from the members

has now been incorporated. The revisions have been circulated to the members of the Audit Committee for final comment.

- 2.6 The DFT framework document was presented to the Audit Committee in September 2010 and detailed comments have been incorporated. The revised document was agreed at the December Audit Committee.
- 2.7 The Authority will be able to access the complete set of revised Authority Governance Documents on the BTPA website from early February.

3. Executive Restructuring

- 3.1 Adverts have now been placed for two new positions namely:-
 - Performance Analyst
 - PSA Accounts Manager
- 3.2 The closing date for both positions is the 4 February 2011
- 3.3 Short Listing interviews take place on the 16 February for the PSA Accounts Manager and the 17 February for the Performance Analyst.
- 3.4 Final interviews take place on the 22 February for the Performance Analyst and the 28 February for the PSA Accounts Manager

4. Pensions

- 4.1 The Police Officers pension scheme valuation is nearing completion. The assumptions and recovery period have been agreed by the Authority. The trustee has agreed the assumptions subject to a satisfactory recovery period. The recovery plan, which is factored into next year's budget, has been presented to the rpm management committee, the scheme actuary and the Chair of the Trustee Board. All have agreed the recovery plan. The formal approval process will take place on 2 February. It is unlikely to be controversial.
- 4.2 Work has now commenced between the Authority Finance Director, the acting HR Director and rpm on the communication plan to the active members once formal approval to funding the deficit of £36million has been given.
- 4.3 The initial valuation of the Police Staff scheme as at 31 December 2010 is expected in April 2011. The assumptions will be reviewed and will come to the Authority for discussion and approval in July 2011.

5. Year End Accounts

- 5.1 The work on the 2010/11 accounts has commenced and the timetable for the production of the accounts has been presented to the December Audit Committee.
- 5.2 The NAO interim visit will commence on 31 January.
- 5.3 A new NAO Audit partner, Nick Bateson, has been appointed to replace Janet Angus who has now retired. An introductory meeting will be held 3 February 2011.
- 5.4 The management commentary which accompanies the accounts is being redesigned by the Executive.

6. Core PSA Charges - 2011/12

- 6.1 Weekly meetings are now being held to monitor progress on the calculation of the charges to core PSA holders. Work is progressing well and the draft charges will be scrutinised by the finance group in March before coming to the Authority for formal approval in March.

7. FOI request for 'old charging model' - Information Commissioner's Decision Notice:

- 7.1 Members may be aware that the Information Commissioner has recently issued a decision notice to the Authority in relation to a complaint about our decision not to release a copy of the 'old charging model'.
- 7.2 After internal discussions, consultation with other parties to the model and carrying out a public interest test we believed we had sufficient evidence to claim an exemption for commercial sensitivity; the Authority's solicitors advised at the time that this application may or may not be overturned by the ICO as many of the principles around applying exemptions were still being tested in practice. The ICO has now issued a decision notice challenging our application of this exemption and directing us to release the 'old model' and associated documentation to the requestor by 11th January; we did not exercise our right to appeal against this decision.
- 7.3 The Authority Finance Director has recently been in discussion with the requestor to establish whether, as legal proceedings are now not being progressed, they would still like to receive the model. The requestor has now confirmed that they do not wish

to receive the information at this time but would like to preserve the right to do so in any future contract.

- 7.4 The ICO also raised a number of recommendations around our initial handling of the original request which was made in early October 2009; these were picked up as internal process issues at the time and the Executive is confident that these issues should not arise again.

8. JR Debtors

- 8.1 ATW - A legal agreement has been drawn up and sent to Arriva's lawyers for comment. We are aiming to settle the outstanding debt in February.
- 8.2 Historical Errors - all pre 2007/08 historical debts have now been satisfactorily concluded.
- 8.3 DBS - an initial meeting has been held with Weightmans to advise us on the legal position and we hope to meet the new teams at DfT and DBS shortly.

9. Contracts

- 9.1 The Chief Executive signed and sealed off the following contracts since the Authority met on the 9 December 2010:

Signed off

- Letter of Indemnity 7- 9 Brewery Road, London, N7 -29.11.10
- Rent Review of Westgate Leeds - 12.1.11
- License to occupy at Marlborough - 12.1.11
- Weightmans New Draft Standard form PSA - 17.1.11

Sealed

- Lease at The Axis, Birmingham - 12.1.11
- License to underlet, The Axis, Birmingham - 12.1.11

10. Stakeholder Engagement Update

- 10.1 **Policing Plan** - On 23 December the Chairman wrote to 36 stakeholders - including Network Rail, ATOC, the Rail Freight Group, Passenger Focus and TOC managing directors - to consult on the draft objectives of the 2011/12 Policing Plan. As of 19 January, the Executive had received or was promised responses from 19 stakeholders.
- 10.2 **Strategic Plan** - A draft of the 2011-14 Strategy was also separately shared with ATOC and Network Rail. A revised draft will be sent on 28th January 11 to Members, ATOC, Network Rail and Passenger Focus. Final consultation with all holding groups, PSA holders, BTP Federation, Superintendents Association, TSSA, NIAG and Support Associations will run from 21 February to 4 March. The Strategy Group will take the final draft 15 March prior to the March Authority meeting.

11. ICV Visit

- 11.1 The Islington Borough Independent Custody Visitors Panel was given a tour of the new London North custody facility on the evening of 18 January by Inspector John Purcell. The Panel members were very impressed with the facilities and particularly the significant number of measures that had been taken to protect both the officers and the detainees. These included extensive use of CCTV which would be held for 90 days, a large medical room which was DDA compliant, a separate kitchen area for officers that used to prepare detainee meals and the privacy measures for juveniles and vulnerable people that were in place.
- 11.2 The ICVs were grateful to Inspector Purcell who volunteered two hours of his time and made the tour very informative and answered a large number of questions that the ICVs had in a full and open manner.

12. Welsh Visit

- 12.1 Arrangements are in place and letter sent for the Chairman, accompanied by the Chief Executive and Chief Constable, to visit the leaders of the four main parties in Wales:
- Carwyn Jones, First Minister - Labour
 - Leuan Wyn Jones, Deputy First Minister - Plaid Cymru

- Nick Bourne, in opposition – Conservative
- Kirsty Williams, in opposition - Liberal Democrats

12.2 The purpose of the visit is to hear their views on BTP's performance in support of the travelling public and rail industry in Wales, prior to the Welsh Assembly election and after the referendum on the 3 March 2011.

13. Out of Committee Business

13.1 The Authority agreed out of Committee the Recommendations contained in the Voluntary Severance Scheme revised Supplementary Paper 7 January 2011, namely that:

- a) There needs to be further work on any future redundancy requirement and options as part of the HR stream of the Futures Programme
- b) Note the business case for implementing a Voluntary, Selective Severance Scheme for Officers as summarised in the 9 December paper to the Authority is a one off action to reduce our cost base and supervisory ratios in areas where there is clear over provision. As such it is a pragmatic use of the current established scheme for which there is agreement on the staff side. It is to be implemented by 31 March 2011 in order to benefit from the consequent savings in FY2011/12
- c) The provisions for the scheme (The January 2011 scheme) are no better than the recently negotiated agreement reached between the Cabinet Office and the Public Sector Staff Associations, in particular the cap of 21 months. The Force is to identify and inform the Authority of the proportion of the target population who will receive 21 months of pensionable pay on voluntary severance
- d) The Force is to make clear to staff that this package is a one off and it should not be assumed that the same terms can be offered for any future scheme. Future proposals will be subject to appropriate consultation
- e) The expenditure is capped at £2.5m (£100k gross to include costs of implementation per targeted post, with delegated authority to the Chairman and Accounting Officer to release up to a further £0.5m subject to an acceptable business case.
- f) Note that in accordance with legal requirements, as we are at the point of contemplating redundancies, consultation with the

relevant associations will commence. The consultation will be meaningful and is likely to lead to some changes to the indicative wording attached.

13.2 The Finance Group on behalf of the Authority agreed a 0.5% non-consolidated payment for 2010 for non EPS staff for the following reasons:

- Police staff and senior officers had a pay rise in 2010, EPS staff agreed when transferring that their new T and Cs would include any 2010 increase
- There will be no increase in 2011
- The Force view a significant operational risk in London from PCSOs if a 0% offer is made
- A non-consolidated rise presumably reduces the risk of any non EPS staff leapfrogging those on EPS terms and conditions
- The Force believe they can mitigate the negative impact of this offer on EPS staff by good communication
- The relatively low cost of £28k

13.3 The Force should also report to the Authority with the underlying issues affecting PCSOs

14. Recommendations

14.1 Members are asked to note this report.