

## Minutes

### Police Authority

**Date:** Thursday 09 December 2010  
**Venue:** G1 & G2 FHQ, 25 Camden Road, London NW1 9LN

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### Present:

Ms Millie Banerjee, Chairman  
Sir David O'Dowd, Deputy Chairman  
Mr Lew Adams  
Mr Howard Collins  
Mr Ian Dobbs  
Mr Colin Foxall  
Mrs Elizabeth France  
Mr Robin Gisby (part)  
Mr Michael Holden  
Mrs Wendy Towers  
Mr Jeroen Weimar

### Apologies:

Mr James King  
Mr Neil Scales

### In attendance:

Mr Andrew Trotter, Chief Constable  
Mr Paul Crowther, Deputy Chief Constable  
Mr Paul Beasley, Assistant Chief Constable Protective Services  
Mr Alan Pacey, Assistant Chief Constable Territorial Policing  
Mr Stephen Thomas, Assistant Chief Constable Operations  
Mr Andrew Clarke, Acting Director of Finance and Corporate Services  
Ms Teresa Hickman, Acting HR Director  
Mr Peter Zieminski, Chief Superintendent Command Support  
Mr Simon Hart, Head of Finance  
Mr Phil Trendall, Superintendent

Mr Adrian Dwyer, Force CT Risk Advisor  
Ms Vanessa Delices, Secretariat Manager  
Ms Carol Anderson, Business Support Officer

Mr Andrew Figgures, Chief Executive  
Mrs Liz Pike, Authority Finance Director  
Mrs Samantha Elvy, Performance Review Manager  
Miss Lucy Barrick, Business Manager & Minutes

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## **PART I - ITEMS TAKEN IN PUBLIC**

### **96/2010 Welcome and Apologies**

Non-Agenda

Apologies were received from Mr King and Mr Scales.

### **97/2010 Minutes of Meeting 01 November 2010**

Agenda Item 1

The minutes were approved as an accurate record.

### **98/2010 Matters Arising**

Agenda Item 2

All matters had been discharged or were on the agenda for the meeting.

### **99/2010 Chief Constable's Report**

Agenda Item 3

1. The Chief Constable advised the Authority that there had been a steady increase in fatalities on the railway. The Force was looking at how it could ease disruption in these cases whilst ensuring that the right decisions were made regarding any assessment of the circumstances of the incident and protecting the dignity of the deceased person. The Force was reviewing hand back times and whether where there were four lines two could be reopened to allow the trains to run, but also whether the deployment of crime scene examiners and duty inspectors was optimal for dealing with these situations as expeditiously as possible as well as all the other factors involved. The Members noted that opportunity costs were an important measure with regard to fatalities. Mr Collins added that in the case of London Underground there was a business case for forward facing CCTV on trains which would help BTP to

make an initial decision promptly and with confidence regarding the type of incident they were dealing with.

2. Cable theft remained a significant challenge and required a strategic approach. The Home Office had taken more of an interest and there was optimism that a cashless approach for the scrap metal industry may be introduced. The Chairman felt that the parliamentary debate on the topic had been helpful.

3. BTP was achieving and exceeding its call handling times. However, with regard to response it had been noted that the Home Office forces had begun to resist responding to BTP calls. The Force had been concentrating on telephone and response times and as such was in a good position for monitoring this information and would respond to any gaps identified in performance. The priority that Home Office forces attach to BTP calls was also part of this issue. The Authority requested that data on Home Office response to BTP incidents be captured and assessed so that the Authority could be informed of the scale of the issue.

4. The student protests had not caused any serious issues for BTP so far. The fourth protest was due to take place on 9 December and disorder was expected.

5. The Force faced a problem with the English and Scottish defence leagues. The marches of these groups had grown in size to around 2000 - 3000 people and were linked to football days. They had also begun to adopt local causes. Marches which were not permitted perversely lead to disorder particularly at railway stations.

6. The Force commented on the extreme winter weather that had been experienced around the country. The Chief Constable had asked Assistant Chief Constable Thomas to review the Force's response. The Force had worked with Network Rail and local forces to provide support and advice to people stuck on trains. The Chief Constable was concerned about the response from all agencies particularly at the termini. He felt that there needed to be a better plan in place including looking at who had the necessary equipment to get through the snow and to ensure that people were not in danger. The Authority was keen that the Force engaged with the industry to ensure that the industry was aware of their concerns regarding the additional risks associated with the weather.

7. The Authority was briefed on the theft of the Stradivarius violin and Pecatto bow from Euston station and the Force advised that they had

reviewed the CCTV and had an operation running to recover the instrument. There had also been some significant arrests in relation to cable theft following the death of a man by electrocution in the Penge area. Rapid enquiry by BTP enabled officers to track back and recover the cable and make a number of connections which led to the arrests.

8. The Chairman expressed concerns about the North Eastern Area performance. The Force agreed that this was an issue and advised that they had been monitoring it closely. The North Eastern Area had been one of the most successful BTP Areas and as such was starting from a high base, but there was concern about the drop in performance. It was noted that cable theft had been a significant challenge in the Area and had to some extent destabilised it owing to the limited resources. However, resource had been moved to the Area to tackle this and more resources were being prepared to be sent. The deployment patterns and times in the Area had been reviewed and recommendations given to the Area Commander. The Area Commander was also having weekly meetings with Assistant Chief Constable Pacey and two members of Assistant Chief Constable Pacey's team would be going to the Area for two weeks in January to assist the Area Commander. However, it should be noted that the Area was still performing well on quality of service and offenders brought to justice targets.

9. There had been an article in the media regarding sickness absence of police officers. The Authority asked how BTP compared. The Force responded that BTP had reduced its average annual sick days per officer from 10 down to 7 over the last three years and this equated to a saving of 8000 days over the three years. In terms of comparison, BTP had 1 in 25 officers off sick at any time. This was better than the best figure quoted in the article which was for Cambridgeshire, 1 in 24; the worst was Warwickshire at 1 in 7. The question was raised as to whether the same thing was being measured in terms of full-time equivalents or basic headcount. The Performance Group was looking at sickness as part of its remit and it was agreed that they would pick up the point regarding the type of measurement to enable a comparison.

### **Agreed**

- Data on Home Office response to BTP incidents be captured and assessed so that the Authority could be informed of the scale of the issue.
- The Performance Group to understand how BTP records sickness and whether this is currently comparable with other forces.

## **100/2010 Chief Executive's Report**

### Agenda Item 4

1. The Chief Executive advised the Authority Members that the portfolio arrangements should not require any additional briefing material or plans in addition to those that chief officers already used to manage their portfolios. The Chief Constable noted the feedback process but added that he would appreciate immediate feedback on any issues that the Members felt warranted swift action or were of a serious nature.

2. The Arriva Arbitration had been settled and the necessary documentation was in hand.

3. There had been rent reviews on several BTP buildings and Leigh Stringer, Head of Estates, had done a good job in resisting increases. There was work taking place with Network Rail to address increases in rent reviews.

4. The contract for the Wide Area Network had been signed for seven years. The Chief Executive confirmed that the Net Present Value (NPV) was significantly different between the two options presented. The financial assumptions had been included in the budgetary work. The benefits of the WAN were to be tracked alongside other virtual working schemes as part of the Futures Programme, where this was a specific work stream.

5. There was an opportunity in Scotland to participate in the design and build of the new Border Railway. The Authority, in partnership with the Force, was working to secure a PSA before the railway was built to provide technical input to help reduce opportunities for crime.

6. The rationalisation work regarding a possible integration with the Highways Agency Traffic Officers and VOSA was paused currently owing to resource matters at the DfT. A significant amount of work had been done on this and a potential saving of around £30m identified. The organisations involved were now waiting for direction from the DfT on how to progress.

## **PART II - ITEMS TAKEN IN PRIVATE**

### **101/2010 Presentation on the Terrorism Threat**

Agenda Item 5

1. Superintendent Trendall and Adrian Dwyer gave an excellent presentation to the Authority updating on the current terrorism threat and the deterrent measures being taken by BTP.
2. The Authority said that this type of presentation was extremely helpful as it enabled members to better understand the challenges that the Force was facing.

### **102/2010 Strategy Group Report following Meeting of 18 November**

Agenda Item 6

1. The Chairman asked Members to feed in their detailed individual comments on the mission, vision and values via email to the Chief Executive. The focus for the meeting was to review how comfortable Members were with the four strategic goals outlined in the discussion document:

- Reducing crime and disorder
- Reducing disruption
- Providing value for money through continuous improvement
- Reducing the fear of crime

2. The Members felt that the draft document with which they had been presented was a good piece of work and represented a challenging but achievable strategy, whilst also reflecting the feedback to the September stakeholder workshop. There was a concern that the Force should be careful not to undertake to deliver outcomes where they did not have the ability to influence the action required to deliver them.

3. There was a suggestion that the way the four strategic goals were currently drafted had a negative feel as they were about reducing bad things rather than achieving good things. It was noted that where possible these statements could be turned around to reflect the positive aspect.

4. The role of BTP was seen as increasingly being about dealing with large numbers of people in a growing industry. The strength and capability of BTP lay in dealing with public order issues and making the railway easy to use. It was suggested that something around BTP making the railway easier to use should be incorporated into the strategic goals of the Plan.

5. There was also a comment that reassurance should have more prominence within the Plan as it was known that passengers liked to see people in uniforms that they can trust.

6. The Chief Executive said that the aim had been to have a short sharp piece with broad goals and the ways and means of achieving these recorded. He believed that the Plan delivered this whilst also being achievable with some stretch targets along the way.

### **Agreed**

- Members to feedback their detailed comments on the draft plan document to the Chief Executive.
- A statement about BTP making the railway easier to use to be incorporated into the strategic goals of the Plan.
- Reassurance to have more prominence within the Plan.

### **103/2010 Finance Group Minutes 01 December 2010**

#### Agenda Item 7

1. The meeting had focused on the 2011/12 budget. The Force had advised that it expected the savings for 2011/12 to be achieved and a detailed explanation of how these would be delivered was being prepared for the Finance Group but was outstanding at the current time.

2. The L Area budget was not included in discussions and needed to be understood in more detail. Mr Collins (in his role as Chief Operating Officer of LU) said that this was a complex area and London Underground was working with BTP to try and reflect a similar impact on L Area as was planned for the rest of the Force.

3. There was a piece of work to do in the long-term to review the governance processes between London Underground and BTPA. Current arrangements were complex and obscure. However, it was important that there was no transfer of additional costs to the rest of the BTP

budget as a result. The Chief Executive advised that there was unlikely to be a perfect solution as there were interdependencies that were difficult to disentangle without impacting on the calculation of the PSA charges. As a first step it was agreed that he would produce a paper for the January Finance Group which would look at the assumptions and approximations. The Chairman said that notwithstanding the complexity any solution had to be fit for purpose.

4. The Group was recommending to the Authority a total budget requirement of £200,122k for BTP, which would result in a total funding requirement for policing services of £196,969k. This was a 2.5% reduction on cash terms, 3.3% in real terms.

### **Agreed**

- The L Area budget to be discussed and agreed at the January Authority meeting.
- The Chief Executive to write a paper for the January Finance Group regarding the London Underground Area governance arrangements.

### **104/2010 Revenue and Capital Budget Scenarios 2011/12 and Strategy to 2014/15, BTPA Budget Proposals 2011/12**

Agenda Item 7.1 & 7.2

1. The Chief Constable began by setting the context. He said that the Force fully understood the economic position and was prepared to embrace a challenge. He thanked the Authority for getting BTP to its current position and said that the stakeholder satisfaction demonstrated that investment in the Force had been repaid. He added that as a result of investment BTP was now an integrated and successful organisation than it had been before. There were policing challenges on the horizon such as the Olympics and those that were already taking place including protests and cable theft. There were also concerns as discussed regarding the cuts to Home Office forces and the impact of this on BTP. The Chief Constable added that he was concerned about where the central structure for police procurement to provide savings would come from as the National Policing Improvement Agency was being abolished.

2. The Chief Constable told the Authority that the Force had worked hard to reduce expenditure in the current year so that money was already taken out before the 2011/12 budget came in. The Chief Constable said that he was fairly confident that 2011/12 should not cause a significant problem owing to the pre-emptory work, but from 2012/13 he had more



concerns as he saw big challenges ahead. However, he was confident that the Force would never go back to where it had been in 2004, when the Authority had been established, as the structure of the Force had been transformed, but he did anticipate difficult times.

3. The paper provided by BTP included a breakdown of savings between staff and non-staff costs. The L Area budget and Olympics were also covered to show how these fitted in.

4. The Authority noted that it was not a risk free environment and assumptions had had to be made.

5. Mr Adams was concerned about the direction of travel. He said that he could support a standstill budget but he did not want to see the Force go back to where it had been in 2004.

6. All Members agreed that they did not want to see the Force regress but it was noted that the DfT's tone had been clear in regards to what the Authority was expected to deliver. The Members agreed that it was a difficult decision as the Plan was not at a level of sophistication to say what the Force would look like in a few years time. It was noted that it was important in the coming months to get a much clearer picture of this.

7. Members agreed that if the budget for 2011/12 and beyond was agreed at the figures outlined in the paper this assumed that any additional counter terrorism costs were outside of this and would be funded separately.

8. It was noted that the Authority budget for 2011/12 was developed to share the same financial pressure as faced by the Force and a document had been distributed with a breakdown of the pressures faced by the Authority (copy in the minute book).

9. The Chairman proposed:

- The L Area budget decision be taken at the January meeting when the Authority had all the information.
- The budget for 2011/12 be agreed at £196,969k for BTP and £1,870k for BTPA (in cash terms)

- The aim for 2012/13 to be to have a 0% budget increase in cash terms, whilst recognising the unquantifiable risk presented by the Olympics.

10. The Authority agreed the above proposals unanimously.

11. It was noted that with regard to charging all PSA holders on fixed proportions would receive a 2.5% reduction in their charge. For those on the New Model individual charges could not be predicted until the Model was run. It was noted that this needed to be clear in any communication to PSA holders along with a brief explanation of how the model works and what information it takes account of when calculating charges.

[Mr Gisby left the meeting]

### **Agreed**

- The L Area budget decision be taken at the January meeting when the Authority has all the information.
- The budget for 2011/12 was agreed at **£196,969k** for BTP and **£1,870k** for BTPA in cash terms.
- The aim for 2012/13 to be to have a 0% budget increase in cash terms, whilst recognising the unquantifiable risk presented by the Olympics.
- The Authority to be clear in any communication to PSA holders that those on the New Model would not know their individual charges until the model was run, along with a brief explanation of how the model works and what information it takes account of when calculating charges.

### **105/2010 Futures Programme - Voluntary Severance Scheme**

Agenda Item 8

1. A paper requesting endorsement to develop a Voluntary Severance Scheme (VSS) was presented.

### **Agreed**

- The Force would come back on how their scheme compared to the DfT's.
- A small group of Members to review the issues surrounding the VSS and report back to the Authority offline with a recommendation.

- The Authority to report back to the Force with its outcome before 10 January.

## **106/2010 Pensions – Investment and Recovery Plan**

### Agenda Item 9

1. The Authority sought further assurance regarding the Recovery Plan and the technical provisions. Mrs Pike assured the Authority that the covenant cover had been assessed as strong and the comment regarding the possibility of the Benefits and Funding Committee seeking further assurance was unlikely to occur as the Recovery Plan was not unreasonable.

2. It was noted that around 20% of the deficit would accrue to L Area and the question was raised as to whether this would be fully funded by L Area. As a result of the governance issues discussed earlier this was not clear. Mr Collins (in his role as the Chief Operating Officer of LU) said that L Area wanted to ensure that it was paying the correct proportion of the deficit.

3. The Authority was concerned about the investment strategy as this was very heavy in equities that had not been moved towards bonds. This was a high risk strategy. It was noted that the Trustee was responsible for the investment strategy and the Authority would need to consult with the Trustee to change the strategy. The current strategy was considered reasonable if the employer could take the liability and risk but even so it did seem a very risky strategy for the Authority.

4. The new proposals involved a risk of around 11-18% i.e. that one in every 20 years there was a chance of a deficit up to £100m. The Authority felt this still seemed high risk and would be more comfortable around single figures.

5. In terms of going forward it was agreed that the investment strategy needed to be addressed urgently. The governance arrangements for the investment strategy also needed to be clarified and developed further. It was agreed that the next stage was for the Authority to decide what level of risk it would be comfortable with and to discuss this with the Trustee. The Trustees had a meeting on 16 February and the Chairman was keen that discussions should start at this point. It was noted that there was no BTP representative on the Trustees.

Members also felt that there was the need for a comprehensive communications plan to support the proposed actions

**Agreed**

- That a comprehensive communications plan be developed
- The employer and employee contribution rates remain at their current levels.
- The pension surplus calculations for the 1970 Preserved and 1968 Sections and to take legal advice on whether the three Sections can be merged in the future.
- Agree the past service deficit of £36 million on the 1970 Contributory Section be recovered on an index linked basis, commencing on 1 October 2011.
- Payback period agreed to be 9.5 years as set out on page 3 of the report.
- The Authority Finance Director be authorised to present the proposed Recovery Plan to the Trustee for their endorsement.
- A list of the Trustees to be circulated to members for information.
- The Chief Executive to report to the January Authority on the governance process regarding the investment strategy.
  - The sub committee to start work in identifying the level of annual contribution variation that it is willing to accept
  - The sub committee to consider its options in relation to ongoing engagement with the Trustee on investment matters. A proposal to be developed to put to the Trustee meeting on 16 February.

**107/2010 Minutes continued**

Agenda Item 10

The minutes were approved as an accurate record.

Signed.....

Chairman