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British Transport Police Authority

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Report to: Police Authority
Agenda item: 4
Date: 26 May 2011
Subject: Chief Executive Report
Sponsor: Chief Executive
For: Information

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. Business Plan

2.1 The 2011/12 Business Plan is attached at Appendix A for comment and approval. The Plan describes the objectives of the Authority and it's Executive for the financial year 2011/12. It reviews the context against which these objectives are set, including the economic environment, stakeholder feedback and Government briefings. It is noted that the Business Plan may require some amendment as a result of the Annual Review which is to be discussed later on the agenda.

2.2 The purpose of the Plan is to identify the priorities for the Authority and its Executive Team and provide a mechanism against which organisational success can be measured. Therefore, the Plan includes Committee and Group priorities, which have been reviewed by Committee/Group Chairs, and action plans for the Executive Team clusters which will be populated on approval.

3. PSA and Charging Update

3.1 Since the last Authority all matters relating to the Judicial Review have now been settled. A settlement agreement with DBS was signed on 1 April and after discussion with the NAO this has been reflected in the 2010/11 accounts. DBS served notice on their PSAs in February 2004. By mutual agreement and the agreement of the DfT, DBS have now been charged by means of the matrix model from February 2008. As part of the settlement agreement a new PSA will be signed by 30 June 2011. At the year end 93% of the core PSA debtors are current.

3.2 The Authority Finance Director met with the Finance Director of London Midland. He questioned the increase in their charges of 5% for 2011/12. The principal reason in their increase was that their crime incidents had increased by 6%, whereas nationally the number of incidents in 2011 had fallen by 2%. Internal information that they held, did not concur with this trend. Work continues on why the two data sets differ so much. London Midland stressed that they were not questioning the Matrix model, merely some of the data sets. They have agreed that they would continue to pay the full amount of invoices raised.

3.3 All PSA charges for 2011/12 are now being paid in full. None have been withheld.

3.4 Formal approval was received from the DfT to convert the 2011/12 irrecoverable gap of £4,272k (including ATW) to Grant in Aid. A further letter is awaited agreeing the 2011/12 DBS write off of £995k.

3.5 The new PSA contract has now been sent back to the DfT legal department with our comments. It will be circulated off line to members for comment.

4. Progress on Annual Accounts

4.1 The annual audit commenced on 9 May 2011. No major issues have yet been raised.

4.2 The Authority Finance Director has written to the DfT to request formal agreement to the Capital and Grant in aid year end settlement.

4.3 The Statement of Internal Control was submitted to the DfT on 9 May. The Management Assurance Return has also been submitted to the DfT in line with their timetable. Both documents were reviewed by the Audit Committee on 28 March 2011.

4.4 The NAO were given a complete set of accounts, with remuneration report and management commentary on 16 May. No major issues were raised by the NAO at a meeting held ON 19 May with BTP Finance, the Authority FD and the NAO. A number of disclosure issues have been identified and once agreed they will be subject to a final independent review by the Executive and BTP. Subject to no material issues being raised at the completion meeting on 26 May, it is planned that the full accounts will be circulated to all Member of the Authority by 10 June 2011 and any comments should be fed back by 17 June 2011.

The final accounts will then be presented for approval at the Audit Committee on 28 June.

5. Update on the Police and Social Responsibility Bill

5.1 The Police Reform and Social Responsibility Bill was adopted by the House of Commons on 31 March and is currently at Committee stage in the House of Lords. The provisions of the bill relating to replacing police authorities with police and crime commissioners do not affect BTPA directly. However, the Chief Executive wrote to nine peers on 20 April seeking their support for a number of amendments intended to obtain recognition for BTP on the same level as Home Office forces.

5.2 The proposed amendments include:

- adding BTP to the definition of "police force area" in the Police Act 1996, from which it is presently excluded;
- including BTP in the list of bodies included in the late night levy charges outlined in the Police Reform and Social Responsibility Bill;
- amending the Railways and Transport Safety Act 2003 in respect of the powers and jurisdiction of BTP's officers, and the Chief Constable's powers over other force officers on railway property;

5.3 Lord Ramsbotham, a crossbench peer, gave notice during the House of Lords' second reading on 27 April that he would be tabling amendments to the bill on BTPA's behalf. The first sitting of the committee stage took place on 11 May; the final sitting is scheduled for Thursday 9 June.

6. Section 23 Agreement – Athena Project

6.1 BTP are members of the consortium for the procurement phase of the Athena Project and are clear in their wish to have the option to take some elements (primarily the Crime system, to replace the current outdated system but post-Olympics) of the Athena system in due course provided it meets their needs.

6.2 The Head of Information Services & Business Support, BTP, attended a meeting on the 17 May with the suppliers, after being given the "go ahead" from the Athena team, who had sought legal advice. His view was that it will be suitable for BTP to sign the agreement. BTP legal advisors have no objection to this.

6.3 Following an initial 60 bidders for the work this went down to 2 – Northgate and HCL. Paul Day felt both could do a good job, and it is now down to the mechanics of the process to announce the winning company.

7. Pensions Update

7.1 The indicative results of the Police Staff valuation as at 31 December 2010 have been shared with the Management Committee. They show a funding level of 99% with a deficit of £0.4 million on an asset base of £58.4million. A further adjustment to the wage inflation assumptions have been proposed by the Authority Finance Director. If accepted by the trustee this should eliminate the deficit.

7.2 Currently the indicative results propose that the joint contribution rates which is currently 25.15% (employer contributory rate is 15.09%) could be reduced to 21.9%, assuming the deficit was eliminated as mentioned in paragraph 7.1 above. Given that the investments were at a relatively buoyant level in December 2010, it would be prudent to leave both the employee and employer contributory rate at their current level.

7.3 Once the results have been formally released, a paper will be presented to the September Authority.

7.4 The Pensions sub group has now held two meetings. Agenda item 6 details the proposed change in governance around the Police Officers scheme. Work on changing the investment strategy continues and this will be discussed by the sub group in June.

7.5 The pension's valuation for the Police Officers has been finalised. The pension's regulator has made a number of routine enquiries around the affordability of the recovery plan. It is not expected that the current plan will change.

8. Member Oversight Activities: Equality & Diversity

8.1 Members will be aware from the report from the Chair of the Performance Review Group that BTP has refreshed its Equality Diversity and Human Rights Strategy and action plans for 2011/12. For the current year greater emphasis has been placed on activities which will support delivery of the policing plan and a particular focus has been placed on delivery at a local level; as such each of BTP's operational Areas have been tasked with

developing and delivering local plans in support of the Force Strategy. Members with local Area lead responsibilities are asked to engage with their Area Commander on this theme throughout 2011/12 and provide feed back to the BTPA Executive on their assessment of progress with developing and implementing local EDHR action plans. This information will enable the Executive to provide an independent assessment of local progress, and the outcomes delivered, to the Performance Review Group, the full Authority and the Force Diversity Action group (FDAG).

9. Strategic Performance Dashboard - Update

9.1 At the January meeting of the Authority, the Chair of the Performance Review Group proposed the development of a strategic performance dashboard as a way to give the full Authority a balanced oversight of the key performance issues emerging from each of the Authority's Committees and Groups.

9.2 At our last meeting a draft list of strategic KPIs was proposed as a starting point – this list was informed by an assumption that the Authority essentially wants to know:

- Is the Authority collecting the money required to fund the budget?
- Are BTP/A operating within the budget?
- Is the money being spent as planned when the budget was constructed?

- Is the Force developing the capabilities the Strategic Plan requires to deliver future performance?

- Is the Force performing to the annual Policing Plan?

- Is the Force continually improving its essential business processes to deliver its present and future performance

- What issues have arisen from recent stakeholder engagement or horizon scanning?

- Any other strategic issues of note arising in the last quarter

9.3 Members requested that a formatted draft dashboard be populated with sample information in order to support an informed discussion about the content and presentation of the strategic information in the future. After reviewing the feedback received from Members following the last meeting, the dashboard attached to this paper at Appendix B is offered as a first draft for comment and discussion. If members are broadly content with the dashboard as presented it is recommended that a strategic dashboard is presented to the full Authority on a quarterly basis from the July meeting onwards.

10. BTPA and BTPF Conference – Update

10.1 The Chief Executive held the annual Conference with the British Transport Police Federation on 4 May 2011. Owing to circumstances this was the first Conference since 2008, but it will now be reinstated as an annual event. The Conference follows the National Negotiating Meeting (NNM) held between BTP and BTPF where most matters are discussed and finalised.

Any "failures to agree" following the NNM are taken to the Conference for decision. The Conference is also the vehicle for the ratification of any relevant Police Negotiating Board (PNB) Circulars in regards to police officer terms and conditions. These will first have been discussed by the new Appointments and Remuneration Panel and then approved by the Authority.

10.2 The 17 May Conference was attended by six Federation representatives, including the Secretary, Chairman and Treasurer, the BTPA Chief Executive and Business Manager and BTP Engagement and Diversity Manager. The following decisions were taken:

- Ratification of PNB Circular 09/5 – London Weighting amounts payable from 1 July 2009 and 2010

- Ratification of PNB Circular 10/10 – revised rates for dog handlers allowance, Competence Related Threshold Payment Scheme payable from 1 September 2010

- Ratification of PNB Circular 10/7– federated rank officer pay scale increases payable from 1 September 2008, 2009 and 2010

- Formal adoption of the Taylor Regulations

- Approval of NNM item 01/06 failure to agree. This related to a cancellation of rest days in January 2007 without three months notice and no intelligence relating to significant public order problems in regards to a football fixture at which no disorder did take place. The matter had

involved 12 officers, some of whom had since left BTP, with those remaining requesting compensation of time in lieu at time and a half for the time they worked. This equated to around a day per officer.

10.3 The pay matters described in the above PNB circulars that were ratified on 17 May have been in place and paid according to the dates stated within the circulars.

11. Contracts

14.1 The Chief Executive signed off the following contracts:

- BTPA and Inchcape Fleet Solutions Ltd – relating to the provision of Fleet Management Service (Model) Contract - 24.3.11
- EPSA with Glasgow SPT x 2 – 6.4.11
- ICV Contract with Merseyside Police Authority for Lime Street – 15.4.11
- Gatenby Sanderson - Terms & Conditions for Professional Service – 21.4.11

14.2 In the Chief Executives absence the Authority Finance Director signed the following contracts under delegated authority:

- DBS settlement agreement dated 1.4.11
- QCD Consultants agreement signed for 12 months to use services of Mike Spracklin, dated 28.4.11

14.3 The Chief Executive signed off and Sealed the following contract:

- EPSA with Glasgow SPT x 2 – 6.4.11

12. Out of Committee Business

12.1 Nothing to report.

13. Recommendations

13.1 Members are asked to note this report.