

Report to: Police Authority
Agenda item: 4
Date: 29 July 2010
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 Olympic Steering Group was established by the Authority in March 2007. It was felt that due to the size of the Project and the level of reputational risk associated with policing the Olympics, as well as the significant cost attached to it, the Authority needed to be kept well informed of the planning process and discussions with DfT, Home Office and other government departments.
- 2.2 However, the initial work to secure the budget and challenge planning assumptions has now been largely completed, and as such it is considered that the Olympic Steering Group may now be disbanded in favour of the Authority receiving direct updates on the progress in this area. This decision was taken by the Chairman in consultation with the Olympic Steering Group members and Assistant Chief Constable Thomas and has their support. The Authority will receive Olympic updates at all of its meetings. These will be contained in the Chief Constable's report or stand alone items when a more significant update is required. The Business Support Manager will also continue to attend the Olympic Project Board meetings at BTP and report back to Members.
- 2.3 The critical factor remains the budget. This has so far not been subject to reduction as part of the Government saving project. It is also noted that the Force is working hard to find savings where it can.

3. Protective Services

- 3.1 Consultation is currently underway with regards to Members' Themes and Areas. A verbal update will be given at the 29 July Authority meeting.

4. Accounting Officer

- 4.1 The documentation to support the Change of Accounting Officer has been agreed. The Acting Director of Finance at BTP and the Treasurer to the Authority have drawn up a service level agreement to reflect this change in roles. This has been reported under agenda item 8. The next step will be review the scheme of delegation and the Financial Reporting Memorandum, which will need to be revised in conjunction with the DfT. This will be reported to the next Authority meeting in September.

5. Pensions

- 5.1 The first draft of the pension valuation of the Police Officers' scheme was presented to the Authority on 8 July 2010. The proposed changes to assumptions have now been fed back to the Trustee through the Management Committee of the Police Officers Pension scheme. We need to write to the trustee formally confirming our reasoning behind the pay assumptions and we are chasing a letter of support from the DfT which the Trustees are anxious to see.

The recent announcement by the Government to link future pension increases to CPI rather than RPI are being considered by the Trustee. This will have a material effect on the deficit and will need to be taken into consideration in the recovery plan as it should significantly reduce future liabilities of the scheme and therefore the deficit will be reduced accordingly.

- 5.2 A further report will be given to the September meeting.

6. Year End Accounts

- 6.1 The year end accounts were signed on the 20th July and passed to the NAO on the same day. We are now waiting to hear whether the accounts will be laid before parliament before recess on 27 July. A verbal update will be given at the meeting.
- 6.2 There were three material changes to the accounts from those presented to the Authority on 8 July. The provision for doubtful debts was treated a movement in the year in the Income and Expenditure account rather than through reserves. The

irrecoverable gap of £12.3m relating to the judicial review from 2007/08 to 2009/10 was treated as Grant in Aid and not as a loan at the year end are presented under agenda item 5. Finally the Grant in Aid received by the Authority since its establishment to fund the Capital Programme was determined net of PSA holders' payments. This has resulted in £16.2 million being reclassified as a Credit to the DfT out of the Capital Financing Reserve, a letter from Mike Mitchell was received confirming this treatment and an annual adjustment will be made each year.

7. Arriva Arbitration update

- 7.1 The proposed settlement was presented to Mike Mitchell who gave direction that it should be written up as a Ministerial Submission. This is in hand.

8. Core PSA Debtors update

- 8.1 The PSA debtors were discussed in detail at the Finance Group and an update is given elsewhere on the agenda. No material movement has taken place with the large outstanding balances relating to Arriva and DB Schenke.

9. Contracts

- 9.1 The Chief Executive signed off the following contracts since the Authority met on the 8th July 2010:

- Scope of business documents engaging Punter Southall - 28.6.10
- Letter agreement for premises Bath Spa - 15.7.10
- Declaration secluding tenure for Bath Spa - 15.7.10
- License to sublet Railhouse Liverpool - 15.7.10
- License of alterations Railhouse Liverpool - 15.7.10
- Lease for Railhouse Liverpool - 15.7.10

- 9.2 A contract was signed with Mr Paul Beasley for the position of Assistant Chief Constable Protective Services on 1 July 2010. Paul starts in post on 2 August 2010.

- 9.3 An updated contract was signed with Mr David McCall for the position of Assistant Chief Constable (Scotland) with effect from the 8th March 2008.

10. BTPA Member and Executive Staff expenses policy

- 10.1 As Members will be aware, on 2nd July the Authority received a communication from the Director General, Corporate Support Functions at the Department for Transport (DfT) issuing new guidelines to all DfT NDPBs in relation to discretionary spending.

- 10.2 Much of what was recommended was consistent with our existing expenses policy; however we have made a small number of amendments which are set out below;

Section of policy	Topic	Detail of amendments
6.1	Travel	<i>Inserted:</i> Members and staff are asked not to travel unless absolutely necessary and should avoid overnight stays wherever possible.
6.1.4	Travel by train	<p><i>Removed:</i> 'For journeys of up to 2 hours (for the Authority's purposes this <u>will</u> include travel between London and Birmingham New Street'</p> <p><i>Inserted:</i> For example, where a discounted first class fare is cheaper than the cheapest available discounted standard class fare.</p> <p><i>Removed:</i> Where an Authority Member or member of staff is travelling with a group who are travelling in first class then first class travel is permitted.</p>

- 10.3 An updated version of the Member Allowances & Expenses Policy has been placed on the BTPA website.

11. Stakeholder Engagement Update

11.1 Since May 2010 the Chairman and Chief Executive have completed 15¹ pilot stakeholder engagement meetings with Passenger Focus, ATOC, the Rail Freight Group and representatives from a sample of holding groups and operating companies. James King also joined the Chief Executive for the pilot meeting with First Scotrail.

11.2 At these meetings stakeholders were briefed on the Authority's new business cycle and structure, the ongoing strategic review project and future risks for BTP. They were also asked to provide feedback on our proposals for stakeholder engagement for the remainder of 2010. In summary the outputs from these pilot meetings were:

- Twice yearly meetings with MDs of holding group and larger operator are supported - for 2010/11 we propose that one of these will be a spring 1:1 meeting and the other an autumn workshop style consultation event with a focus on the 2011/12 Policing Plan and strategic themes. Two further personalised written communications in summer and winter will keep stakeholders updated on progress with the budget, the Policing Plan and the other issues raised in 1:1 meetings

The Chairman and Chief Executive will lead on 1:1 engagement at holding group level, wherever possible also involving a Member in these meetings.

Area lead Members, the Chief Executive and ACC Territorial Policing will lead on 1:1 engagement with larger operators.²

For smaller PSA holders (for example heritage lines) business as usual engagement will be done via quarterly letters.

- Stakeholders are keen to engage with us on shaping the annual Policing Plan and the Strategic Plan and have a particular interest in issues relating to reducing disruption to the rail network and improved efficiencies for BTP

¹ One further pilot meeting with First Group is yet to be rearranged.

² Two pilot meetings with ACC Pacey were arranged but were subsequently postponed by the stakeholders - these are being rearranged.

- 11.3 Pilot meetings were also used to develop and refine a package of materials to support Members in carrying out future stakeholder engagement. The briefings included key messages, an overview of recent correspondence with the stakeholder, and where appropriate a summary of charging and policing information for the area of operation.
- 11.4 In order to both support future meetings and capture the outputs from them a stakeholder database has been developed by the Executive's Communications Officer and this is currently being populated. The database includes details of recent correspondence; current and historical charging information; copies of any briefings previously provided and a summary of the main feedback received from our last. Where appropriate information held on the BTPA database is being made available to the BTP Senior Command Team to support their own engagement work.
- 11.5 The Executive is now scoping a proposal for the autumn stakeholder workshops to be held during the second half of September.

12. Recommendations

- 12.1 Members are asked to note this report.