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British Transport Police Authority

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**Report to:** Police Authority
**Agenda item:** 4
**Date:** 1 November 2010
**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. Governance Update

2.1 The revised Governance framework will be presented to the December Audit Committee. As part of a larger project the NAO are conducting a review of performance frameworks and Board Reporting across Government. The aim of the review is to promote learning from good practices and so improve Board monitoring and decision making. The NAO will review current practices and capacity in three principal areas:

- Organisational performance measures (their development and quality)
- Organisational performance reporting (particularly at Board level)
- Board use of performance information (in strategy and performance management)

The review will have three parts, namely document reviews, interviews with staff and interviews with Authority members through interview or by means of a survey. They have invited us to take part in this free process and it would be an excellent independent review of the revised business cycle that has been in operation since April 2010. I would recommend that we take part; it is expected to take place during November.

## 3. Portfolios

3.1 The Executive Team is in the process of allocating the new portfolios and updating the Member handbook with the new arrangements. All Members will be contacted regarding their

new portfolio in the next month and individual work plans will be developed in partnership with BTP.

## 4. BTPA Restructuring

4.1 Following the Authority's approval of the proposed new arrangements for the Executive Team at its last meeting, staff were consulted on the new arrangements on 1 October. The consultation period is scheduled for 30 days and as such concludes on 31 October. Staff who have indicated their intention to move to the new arrangements will be given copies of the new contract on Monday 1 November for signing. It is not anticipated that any member of staff will decline to move across.

## 5. Accounting Officer

5.1 The Chief Executive attended the Accounting Officers' training course run by the DfT and has had his appointment interview with Robert Devereux. The previously reported internal fraud has been reported to both the NAO and the DfT Accounting Officer and is currently being investigated by Tribal on the Authority's behalf.

## 6. Pensions

6.1 Police Officers Scheme - A verbal update will be given at the meeting as to whether or not the technical assumptions have been endorsed by the rpmi Trustees. A recovery plan will be presented at the December Authority and we have scheduled a meeting with Punter Southall and rpmi to discuss the current and future investment strategy.

6.2 Hutton Review – the recommendations of the Hutton Review on the Home Office Police Officers scheme will not be received until after we have to agree our assumptions and recovery plan. The Treasurer is in discussions with rpmi as to whether there is any scope in extending the agreement of the employee and employer contribution until the results are published.

6.3 Consultation on the pensions valuation for the police staff scheme has commenced ahead of the valuation date of 31 December 2010.

6.4 PPF levies were received in the period totalling £1million, compared to £200k last year. The Treasurer has successfully appealed the charges and awaits the revised charges which are expected to be in line with last year.

## 7. Year End Accounts

7.1 The Management letter has been received from the NAO for 2009/10. The Treasurer and the Head of Finance are co-ordinating the responses and actions arising from the NAO's observations. The DfT have requested that we complete a six monthly management assurance report. This will be submitted by 5 November 2010 and will be circulated to members of the Audit Committee for comment once reviewed by myself and the Treasurer.

## 8. Arriva Arbitration update

8.1 A further stay in proceedings has been granted until 31 October. Progress since the settlement was presented to the DfT has been slow. It is in the process of being reviewed by the DfT Lawyers. A further stay of arbitration has been sought to allow a meeting with the DfT lawyers, Weightmans and John Ross QC with the aim of providing a recommendation to the DfT Networks by 21 November 2010.

## 9. Diversity

9.1 At the Authority's meeting on the 8 July BTP presented the Authority with an annual report on equality and diversity; this led to a discussion about where in the new business cycle arrangements equality and diversity oversight should sit. Following discussions with the Chairman, Wendy Towers, and Teresa Hickman a proposal has been developed which identifies where a range of oversight activities could be located across the Authority's annual business cycle and elsewhere. The table attached to this paper sets out this proposal for your comments and/or approval.

BTPA diversity oversight planner v2.

## 10. Contracts

10.1 The Chief Executive signed off the following contracts since the Authority met on the 30th September 2010:

- Field Fisher Waterhouse LLP act for BTP in connection with senior police officer/senior personnel issues – 14.09.10

- Contract between London Eastern Railway Ltd (Landlord) and BTP, Norwich Railway Station Agreement of Rent Increase – 05.10.10
- Biggart Baillie LLP to act on BTPA behalf providing advice in relation to BTP officers on Mutual Aid in Scotland – 12.10.10
- BTP Railhouse, Liverpool accommodation, Stamp Duty Land Tax (SDLT) – 12.10.10
- BTP Accommodation, Clapham Junction Station Lease – 15.10.10
- Memorandum of Understanding (MoU) for the provision of ASCENT capability for the BTP sites at FHQ and Glasgow

## 11. Stakeholder Engagement Update

11.1 On 15 October the Chairman wrote to stakeholders consolidating the points raised by participants at last month's policing plan workshop. Two themes were highlighted in particular:

- **Reducing disruption:** the Chairman said stakeholders recognised BTP's hard work in handing the line back to operators as quickly as possible following a fatality, but would like to see a timed target relating to other incidents too.

- **Value for money:** while there was agreement at the workshop that BTP has become a more efficient and effective police force since the 50 percent increase in its budget on 2004 levels, there was also a shared desire to better understand how rail industry funds are being spent. The view was that BTP may well be providing value for money, but that it has not effectively demonstrated this to its stakeholders.

11.2 The points raised in the workshop will be discussed by members of the Policing Plan group before further written consultation with industry partners in December.

## 12. BTP/BTPA and the Comprehensive Spending Review (CSR)

12.1 The DfT Direction and guidance arising from the CSR is summarised as follows:

- The BTP and BTPA differ from most of the Arms Length Bodies for which the Department is responsible in that the great majority of their funding comes from train and network operators rather than from the Exchequer. The Comprehensive Spending Review therefore has only a limited direct effect on either the Force or the Authority. The Government will not therefore seek to impose specific reductions on either the overall BTP budget or in areas such as the number of BTP officers, both of which are matters for the Authority. At the same time, the rail industry is subject to the same financial pressures as the rest of the economy and Ministers will expect the Authority to take account of that background in setting budgets and objectives, both for itself and for the Force.

- The CRS document contains the statement that the DfT and its Arms Length bodes will reduce administrative costs by one third over the Spending Review period saving over £100M a year by 2014-15.

- In this context administrative costs cover not only direct staff costs and wages but also associated costs, accommodation, communications, travel and subsistence!

## 13. Recommendations

13.1 Members are asked to agree that the Authority participates in the NAO review of Performance Frameworks and Governance across Government.

13.2 Members are asked to note this report.