



BRITISH
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BTP Response to McNulty Report

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Key McNulty Principles:

- GB Rail 30% less efficient than European best in class
- Growth in rail transport in future years
- The supply chain acting as *'enablers'* for the rail industry
- Developing *system wide solutions*
- The importance of productivity gains as well as savings

Key Metrics

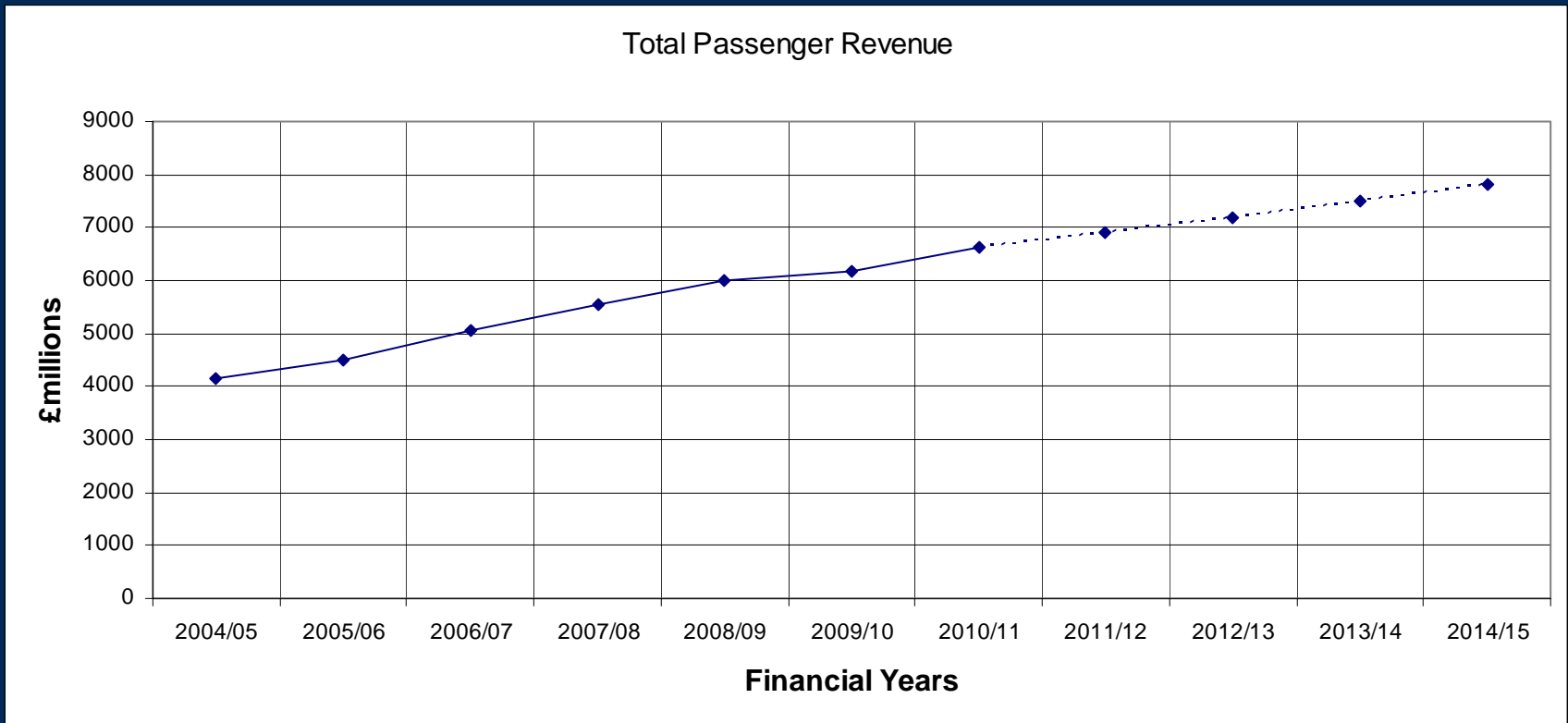
- **Cost per Passenger Kilometre**
- Cost per Freight Kilometre
- Cost per Passenger Pound



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Total Passenger Revenue 2004-15

Source: ORR (Rail Trends Handbook 2010-11) and ATOC (Initial Industry Plan 2011)



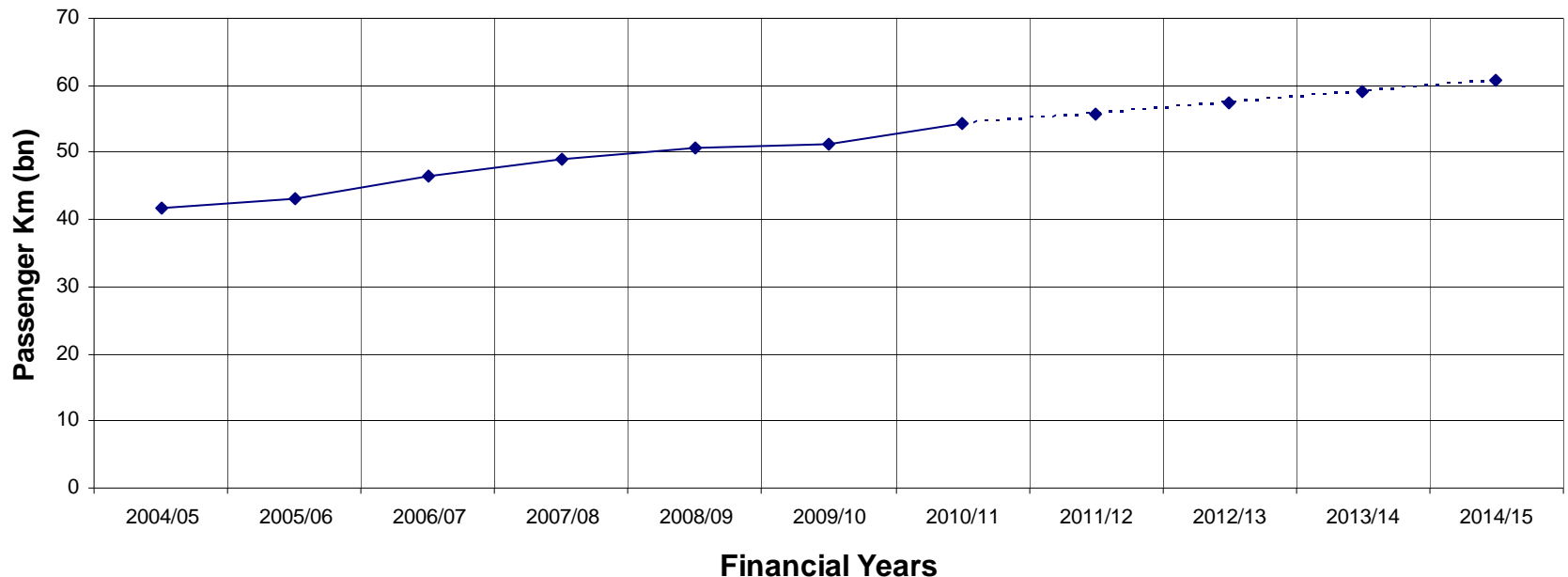


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Total Passenger Km 2004-15

Source: ORR (Rail Trends Handbook 2010-11) and ATOC (Initial Industry Plan 2011)

Totals by passenger Km





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Total Freight Km 2004-15

Source: ORR (Rail Trends Handbook 2010-11) and ATOC (Initial Industry Plan 2011)





Specialist enabling role

- Reducing disruption
 - Cable theft
 - Fatality Management
 - Emergency Response Vehicles
- Counter terrorism
 - Bomb threats
 - Unattended Items
- Public order
- Olympics
- Football and special events



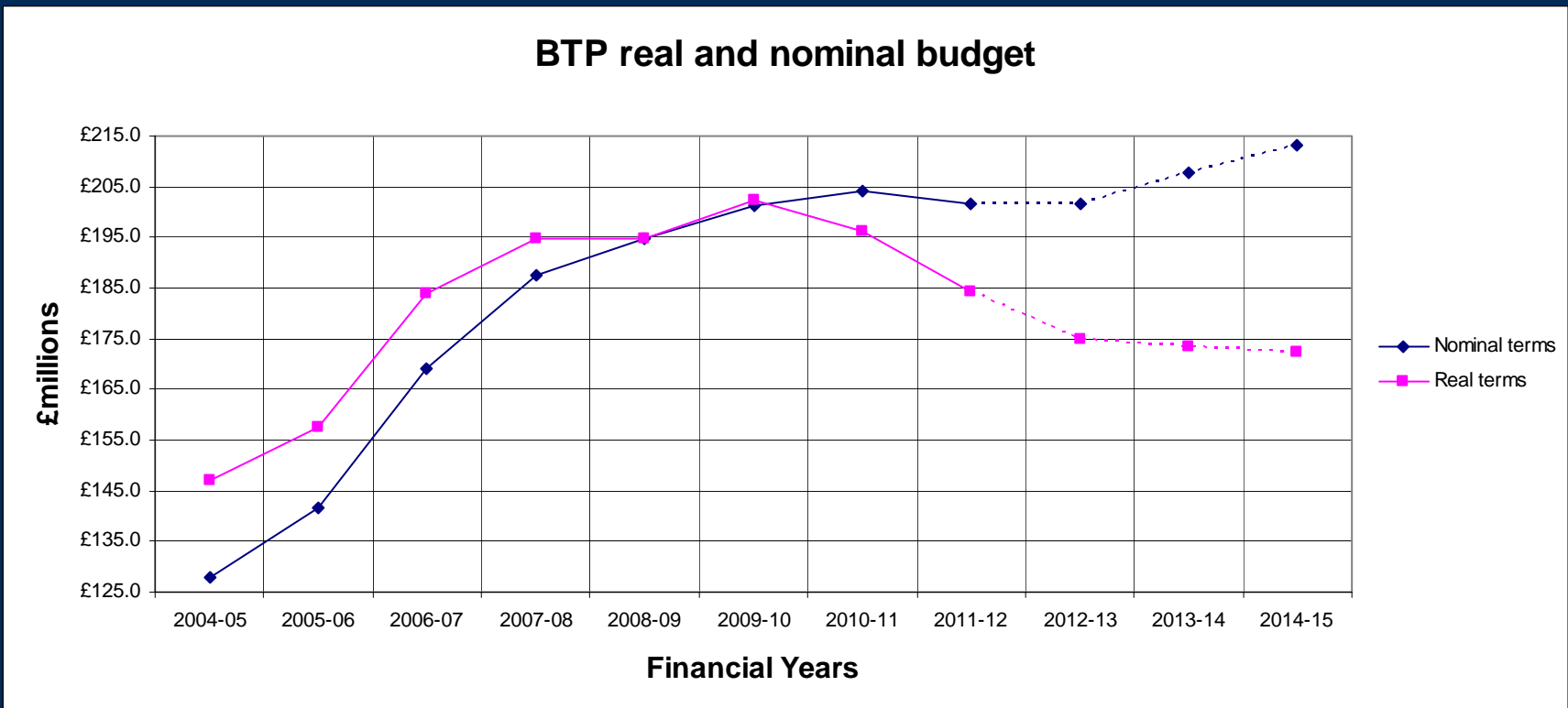
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System-wide solutions

- Safe, secure, reliable network
- BTP potential enabling role
 - Criminal acts
 - Inclement weather
 - Infrastructure failure
 - Command and control
- Co-ordinated system-wide response

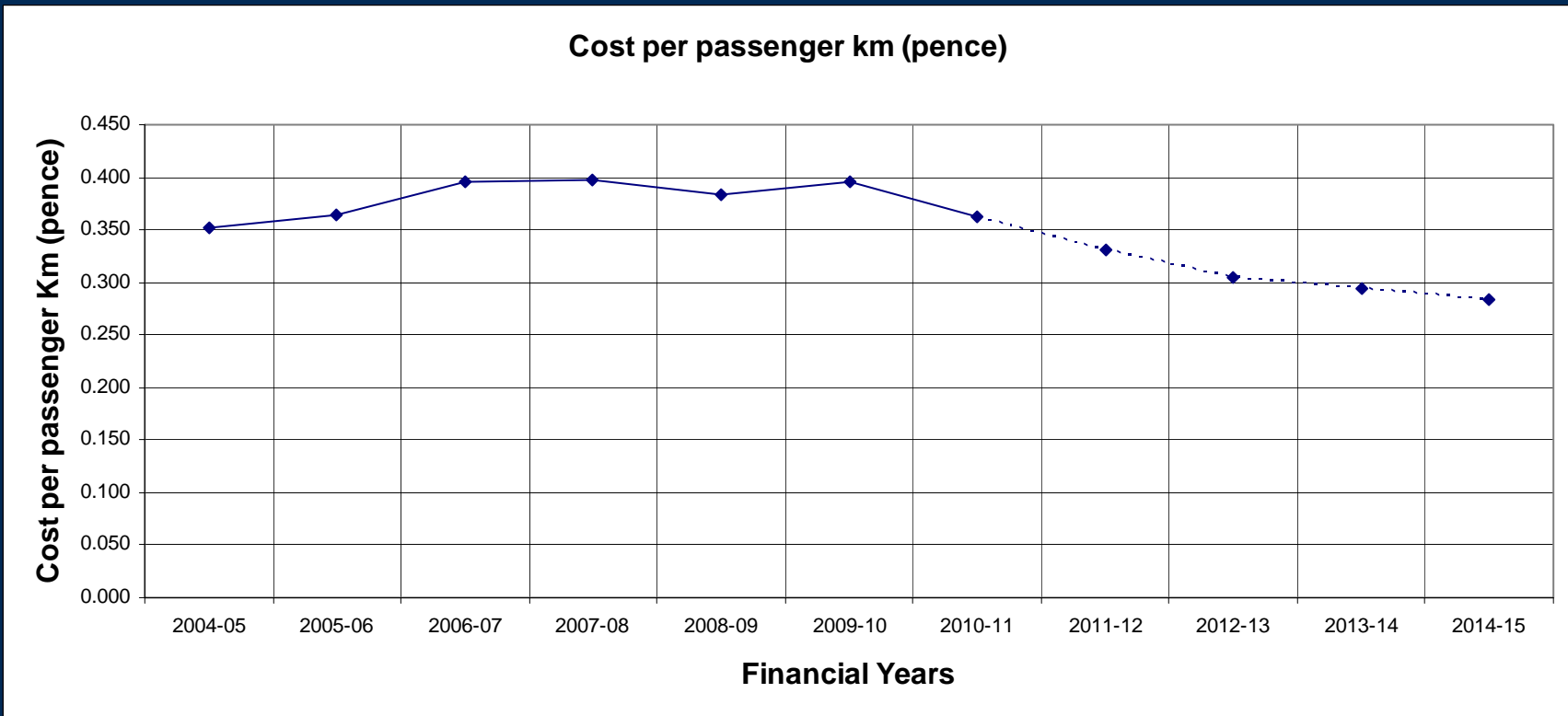
BTP real and nominal budget 2004-15

- Between 2008-15 there will be a real term decrease of 11.3% (£194.6m - £172.5m)
 - Assumes BTP's budget is standstill followed by RPI for two years
 - Based on Treasury RPI estimates for 2011-12 and MTFP estimates for 2013-15



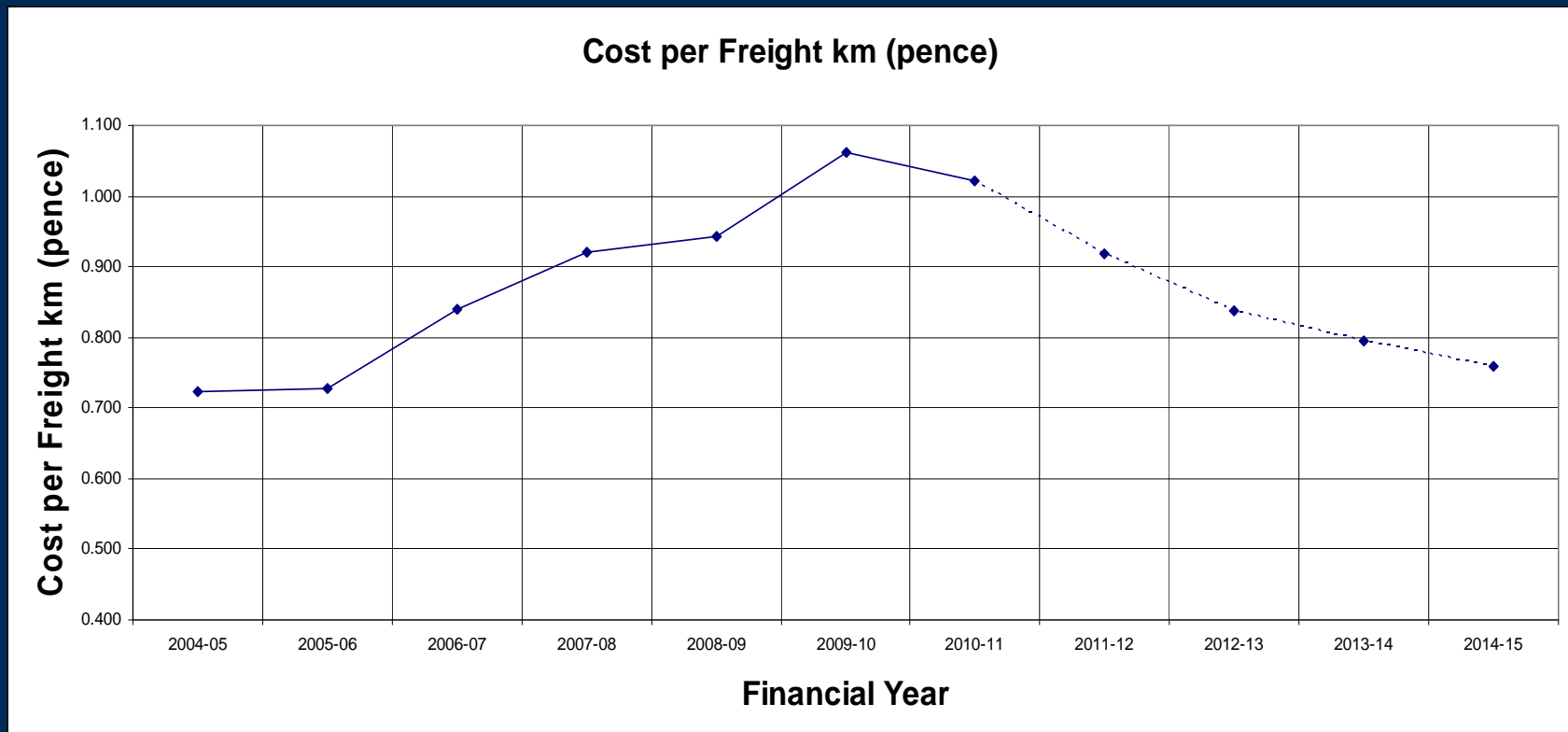
BTP cost per passenger kilometre 2004-15

- Between 2008-15 there will be a 26% decrease in cost per passenger km
 - Assumes BTP's budget is standstill followed by RPI for two years
 - Based on Treasury RPI estimates for 2011-12 and MTFP estimates for 2013-15
 - Source: ORR (Rail Trends Handbook 2010-11) and ATOC (Initial Industry Plan 2011)



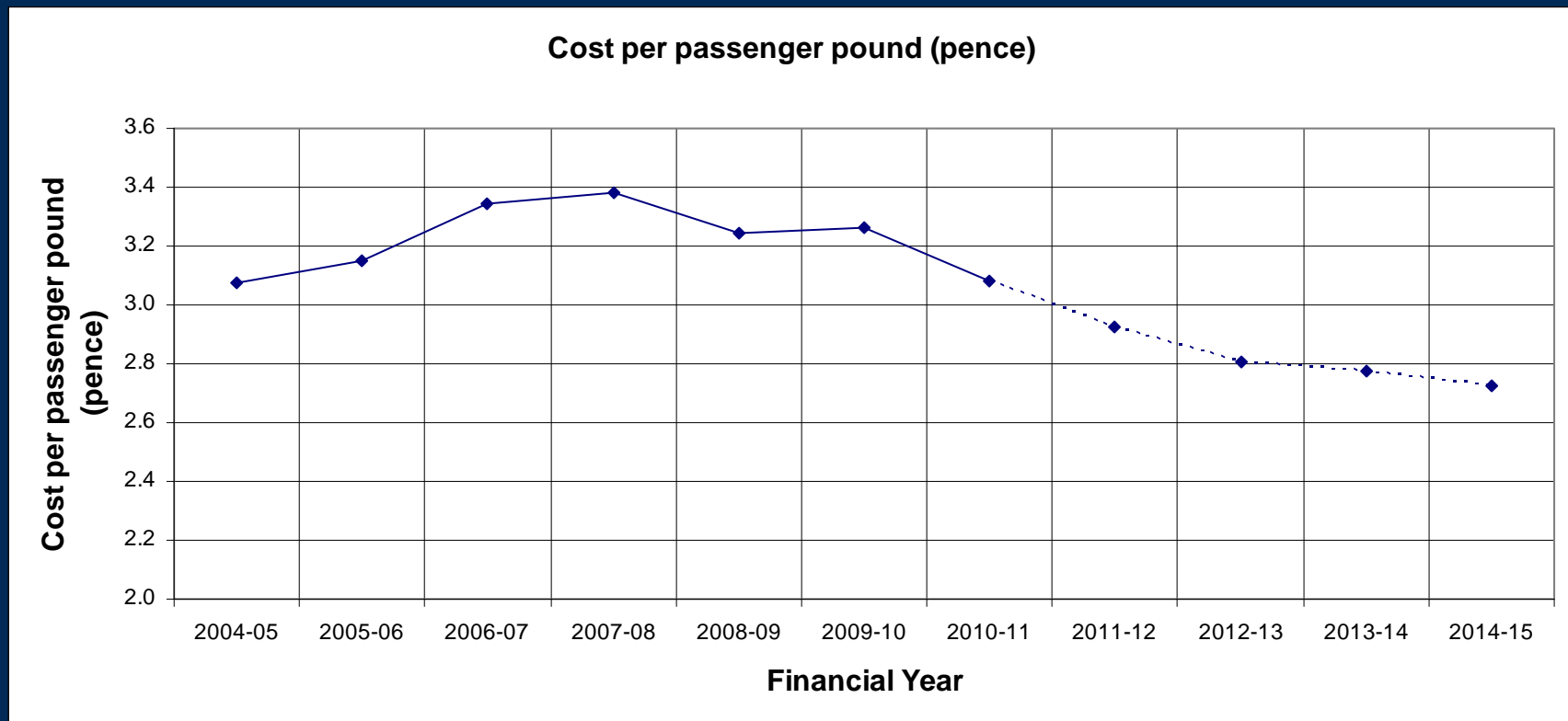
BTP cost per freight kilometre 2004-15

- Between 2008-15 there will be a 19.6% decrease in cost
 - Assumes BTP's budget is standstill followed by RPI for two years
 - Based on Treasury RPI estimates for 2011-12 and MTFP estimates for 2013-15
 - Source: ORR (Rail Trends Handbook 2010-11) and ATOC (Initial Industry Plan 2011)



BTP cost per passenger pound 2004-15

- Between 2008-15 there will be a 15.6% decrease in cost
 - Assumes BTP's budget is standstill followed by RPI for two years
 - Based on Treasury RPI estimates for 2011-12 and MTFP estimates for 2013-15
 - Source: ORR (Rail Trends Handbook 2010-11) and ATOC (Initial Industry Plan 2011)



Benchmarking

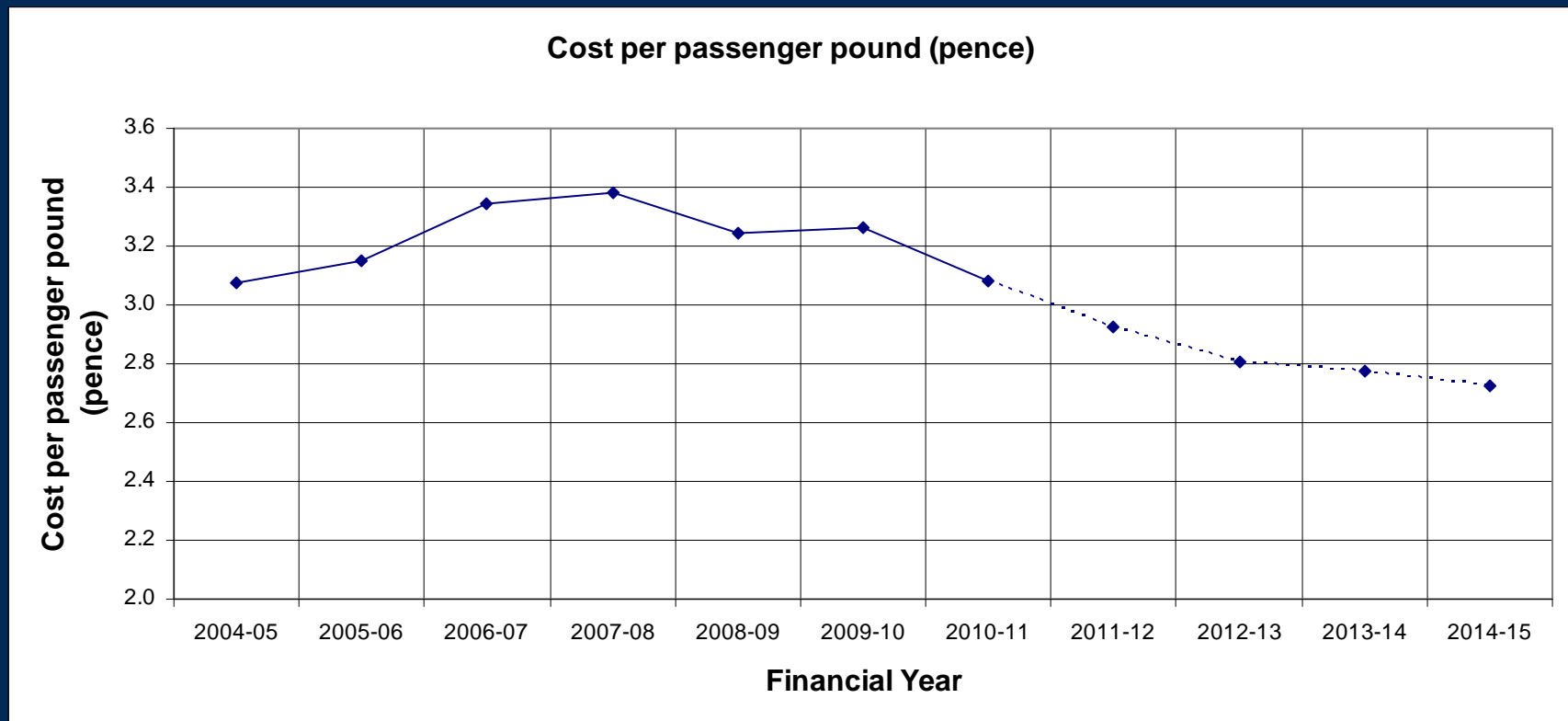
- European Benchmarking
 - Difficult to obtain meaningful data
 - Dutch Korps Landelijke Politiediensten (KLPD) model
- UK (CIPFA POA) Benchmarking
 - BTP often above average or top quartile
 - Cost of police officer
 - Sickness
 - Number of business support staff per 100 FTE
 - Priority crime
 - Victim satisfaction

Determining Optimum Investment

- Develop from relative efficiency / VfM
- Illustrate return on investment
- Link police numbers, crime, confidence and income
- HMIC – Adapting to austerity
- TfL research
- 3% of passenger receipts seen as optimal
- Further work commissioned

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Understanding drivers of activity

- Primary and secondary drivers mapped
- Identified activities associated with drivers
- Quality assured through focus groups
- Allocated time to each driver
- Analysed contribution to reducing disruption
- Considered discretionary element
- Detailed activity analysis exercise required
- Could potentially feed in to Charging Model

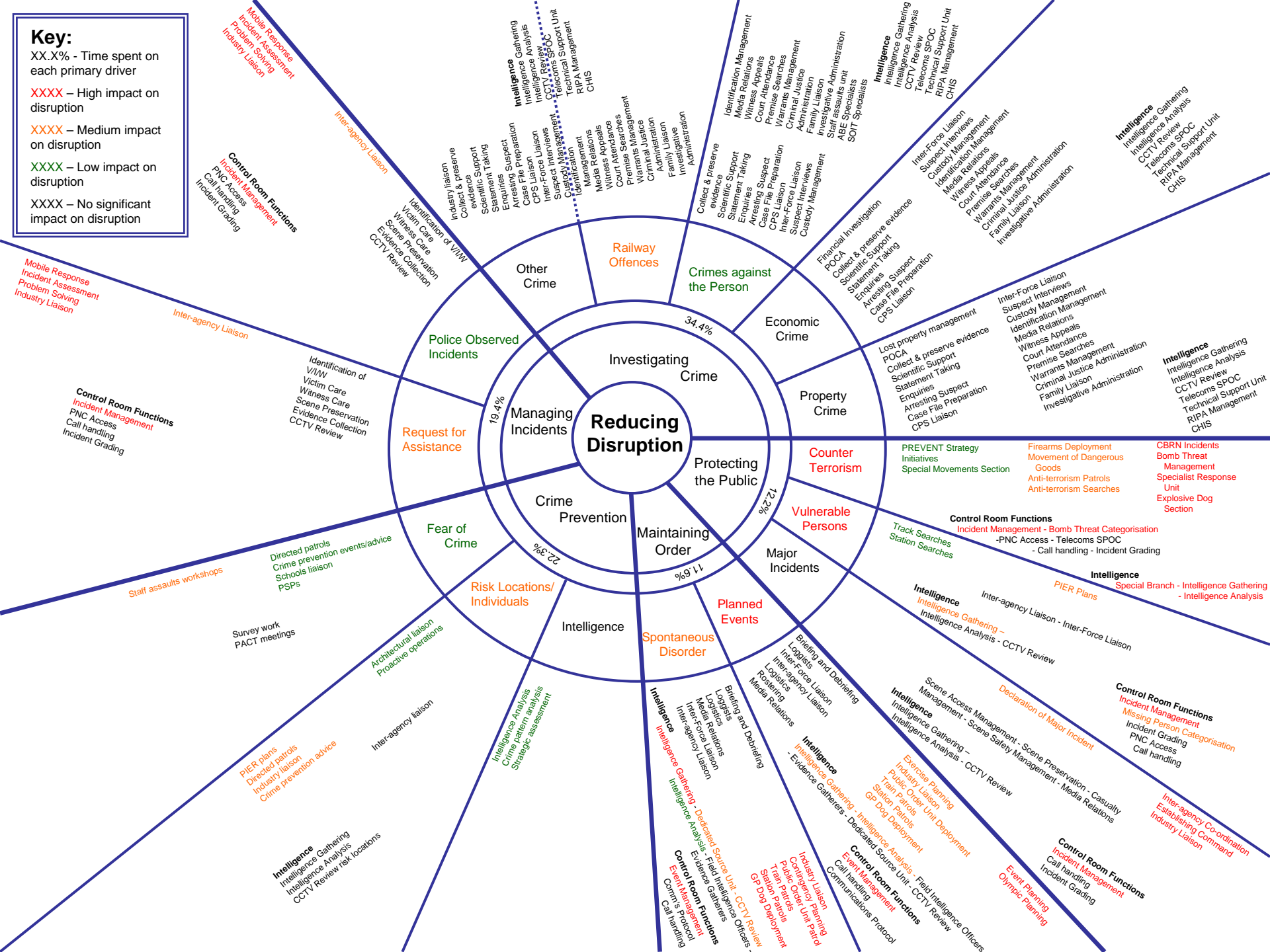
Key:
XX.X% - Time spent on each primary driver

XXXX - High impact on disruption

XXXX - Medium impact on disruption

XXXX - Low impact on disruption

XXXX - No significant impact on disruption



Cost Drivers

- Often driven by external factors:
 - Inflation
 - Salary increments or wage awards
 - Police Negotiating Board
- VAT due to NDPB status
- Costs as a consequence of national remit:
 - ICT
 - Premises
 - Business travel costs
- Opportunity to neutralise ‘merry go round’ costs

Response to AECOM

- Serious flaws in AECOM analysis:
 - Special Branch £832k vs £15.8m
 - Football policing £7.8m vs £27.5m
- Often describes cost transferral rather than cost saving
- Lack of understanding of BTP specialist role
- Assumes HO forces will take on BTP functions at zero cost
- However, recommendations have been analysed

AECOM Recommendations(1)

- Complete transfer of BTP activities
- Transfer of some BTP activity
 - Merge LU Area with Metropolitan Police Service (MPS)
 - Remove BTP Special Branch
 - Transfer all Serious and Organised Crime investigations to Home Office forces
 - Transfer football policing

AECOM Recommendations(2)

- Organisational & funding initiatives
 - Reduce PSAs
 - Amend charging regime
- Incremental efficiency measures
 - Review staff mix
 - Merge FHQ functions
 - Revised rostering process
- Increasing scope of BTP activities
 - Strategic Transport Agency
 - Industry wide co-ordination
 - Vertical Integration

Conclusions

- BTP has positioned itself well to meet McNulty efficiency target
- Initial research suggests the level of investment in BTP is near optimal
- BTP performs very well compared to other forces
- BTP's enabling and specialist role could be enhanced by carrying out a more strategic function
- Further work is required to fully understand costs and drivers of activity

Further Work (1)

1. Continue to develop ways to deliver further reductions in cost per passenger kilometre by 2015.
2. Develop the existing research to seek to determine an optimum level of investment in policing.
3. Develop an activity analysis model utilising the drivers of activity model so as to provide an assessment of the time and cost of BTP activities.

Further Work (2)

4. Explore and model the opportunities presented by virtual integration in pilot regions with NWR and operators.
- 5 Fully develop the potential case for wider strategic transport policing and enforcement role taking into account of the National Policing requirement implications, the experience of the Dutch Transport Policing Structures and the wider DfT strategy.

Further Work (Timescales)

- Report to DfT Permanent Secretary on transport policing and enforcement role - January 2012
- Report to BTPA on progress of workstreams - March 2012
- Deadline for completion of all other workstreams - May 2012