

Minutes

Police Authority

Thursday 13 June 2013, 10.00am

at the Paddington Room, Palestra, 197 Blackfriars
Road

The Forum
5th Floor North
74-80 Camden Street
London NW1 0EG

T: 020 7383 0259
F: 020 7383 2655
E: general.enquiries
@btpa.police.uk

www.btpa.police.uk

Present:

Millie Banerjee, Chairman
Lew Adams
Patrick Butcher
Howard Collins
Elizabeth France (part)
Michael Holden
Len Jackson
Bill Matthews (part)
Wendy Towers
Anton Valk

Apologies:

Brian Phillpott, Deputy Chairman
Jeroen Weimar

In attendance:

Andrew Trotter, Chief Constable
Paul Crowther, Deputy Chief Constable
David McCall, Assistant Chief Constable Scotland
Mark Newton, Interim Director of Corporate Resources
Richard Moffatt, Chief Superintendent Command Support
Elaine Derrick, Senior Advisor, BTP
Simon Hart, Head of Finance
Jo Bird, Head of Media and Marketing
Kerry McCafferty, Head of HR- Force Restructure/Futures
Glyn Hellam, Media and Marketing Manager (NW)

Andrew Figgures, Chief Executive
Liz Pike, Authority Finance Director
Samantha Elvy, Strategy and Performance Manager
Lucy Yasin, Authority Business Manager & Minutes

PART I - ITEMS TO BE TAKEN IN PUBLIC

30/2013 Welcome and Apologies

Non Agenda

1. The Chair opened the meeting by thanking Mr Collins for his invitation to hold the Authority meeting at Palestra and visit the new London Underground Control Centre.
2. The Chair gave apologies from Mr Phillipott and Mr Weimar.

31/2013 Minutes of Meeting 21 March 2013

Agenda Item 1

3. The minutes were approved as an accurate record.

32/2013 Matters Arising

Agenda Item 2

4. Mr Collins updated the Authority that he had contacted British Telecom (BT) in support of the Deputy Chief Constable's letter, as had been agreed at the last meeting. The response had been that BT felt they could not justify providing further metal theft funding as the majority of government funding had been withdrawn. Following this it had been decided that it was not productive for the Chairman to write on the same matter.
5. All other actions had been discharged.

33/2013 Chief Constable's Report

Agenda Item 3

6. The Chief Constable recorded his thanks to the officers and staff under his direction and control for the good performance results that had been produced for 2012/13, particularly noting the work on cable theft and fatality response.
7. It was noted that rail staff also played a significant part in keeping the railways safe and secure and the Force had a good working partnership with them.
8. Theft of personal property was the only crime type increasing nationally and was expected to be a challenge for the 2013/14 performance year.
9. The Home Office had pledged £569k of funding for metal theft in 2013/14. This was significantly down from the £5m that had been made available for 2012/13, nor was further funding expected from private sector. However, the Deputy Chief Constable noted the Force must not lose focus on this area having reduced cable theft incidents by 51%. There had been a successful day of action in May and

following a covert operation a number of arrests had been made in the North West.

10. The Force was working with the Home Office on the guidance to accompany the new Scrap Metal Dealers legislation that would become live from October 2013.
11. The Force had applied the principles of its approach to cable theft to work on suicide prevention and responding to mental health issues. Funding had been received from Network Rail for Operation Partner and senior partners in the National Health Service (NHS) were also supportive of the project
12. The text service had been successfully launched and an average of 21 texts a day was being received. The texts primarily related to incidents of antisocial behaviour (ASB). ASB was also a continuing theme in stakeholder visits. The Chief Constable stated that it was unclear whether this was the result of a rise in incidents of ASB or a lower tolerance threshold.
13. A clause had been included in the ASB, Crime and Policing Bill to resolve the anomalous position for BTP with respect to firearms licensing.
14. The Force had participated in HMIC's valuing the police inspection. The initial debrief from this had been largely positive, noting that the strategic objectives were ambitious, performance and governance was good and there was collaborative work in place. The main area for improvement was reported as internal communications.
15. The Chairman was concerned that HMIC appeared to want to fit BTP into the same criteria used to assess Home Office forces. This was not considered to be appropriate as the business model was different. Members' were asked to be alert to this in their dealings with HMIC.
16. The estates rationalisation work continued with the first and second floors of Force Headquarters being refurbished. This would allow the Professional Standards Department and Major Investigations Team to move into FHQ allowing the early vacation of the premises at 140 Camden Street.
17. The restructure of the HR Department continued. The new team was expected to be in place in Birmingham from September. This was a difficult time for staff and the focus was on trying to redeploy individuals rather than make redundancies.
18. An Integrated Information Management Strategy had been presented to the Force Executive Board. This was a five-year technology

strategy aiming to rationalise information technology making it more reliable and modern. The strategy incorporated 36 programmes of work and was budgeted at a capital cost of £13m if agreed.

19. The Force had sent a number of officers to Northern Ireland as mutual aid for the G8 summit. The Force was closely integrated with the Metropolitan Police Service and City of London on public order.
20. **Agreed**
 - 20.1. A letter to be sent to the Chief Constable from the Authority congratulating officers and staff on their performance.
 - 20.2. The Authority to draft a letter to the rail staff unions recognising their partnership work with the police in keeping the railway safe and secure.

34/2013 Chief Executive's Report

Agenda Item 4

21. The Authority would be the subject of a triennial review by the DfT in 2013/14. This was in accordance with Government guidance for non-departmental public bodies (NDPBs) and had been announced at the end of the 2012/13 fiscal year.
22. The review would focus on the decision making process and whether this was effective. The terms of reference for the review were attached to the paper and had been developed in partnership with the Authority. The review was expected to generate a significant amount of work and the Chief Executive anticipated that there would be a requirement for temporary staff.
23. As the Authority was a large employer, including officers and staff under the direction and control of the Chief Constable, a Challenge Group would be formed. The Group would test and challenge the assumptions and conclusions of the review. It was expected that a number of the Authority's stakeholders would sit on the Group.
24. All Police Service Agreement (PSA) holders had signed the new PSA with the exception of one. The indication from the company was that they would sign the PSA if they were directed to do so by the DfT. The DfT had been informed of the situation and it was anticipated that the appropriate direction would be given. It was noted that there was no financial issue as the company were paying their charge, which was accepted without prejudice or commitment to the requirement for the company to sign the PSA.
25. The strategic dashboard showed that supervisor training was running at 81.3%. A/ACC Newton confirmed that 96% of new supervisors were now rostered to attend supervisory training.

35/2013 Performance Review Committee Quarter 4 Report

Agenda Item 5

26. It had been announced that Mrs France would take over the chairmanship of this Committee from the next meeting, as Mr Collins was leaving the Authority having taken a new role in the railway industry in Australia.
27. The Force was in the process of obtaining a licence to conduct its own firearms training. The Committee had been provided with assurance on the oversight arrangements as the College of Policing had a regular inspection regime for forces that conduct their own firearms training.
28. The Committee had not received the 2011/12 or the 2012/13 Equality, Diversity and Human Rights (EDHR) Reports at the time of the meeting. The 2011/12 report had been received later out of committee but was not a model for the future. This oversight was a statutory duty and was of particular importance with the proposed changes to the workforce. It was agreed that the Force would work with Mrs Elvy in the development of the 2012/13 EDHR report to ensure that this met the requirements.
29. The Committee had noted the increase in theft of passenger property and that volume crime could rise if action was not taken. The sickness figures continued to be monitored and there had been a slight improvement.
30. There were no immediate areas of concern with respect to stop and search.
31. The meeting had taken place at the Criminal Justice Unit and the Members had been given a tour which they had found to be very useful and informative.
32. **Agreed**
 - 32.1. The Force to work with Mrs Elvy to ensure that the 2012/13 EDHR Report meets the statutory requirements. The report to be submitted to the next Performance Review Committee.

36/2013 Strategy and Planning Committee Report including Force Strategic Change Programme

Agenda Item 6

33. The Committee had received a report and presentation from the Force on its initial analysis of a range of options emerging from a series of internal and external discussions for a new operating model. The Committee explored the criteria against which these options had been assessed and recommended to the Authority that the three area operating model be approved as the preferred model.

34. The Deputy Chief Constable gave a detailed presentation providing the context in which the models had been developed, the drivers for transformational change, and how the options would meet the required demand with a resource analysis.
35. The operating model options proposed achieved greater alignment with Network Rail routes. They were also designed to improve response times, reduce disruption, provide sufficient cover to hotspot areas and meet anticipated increases in demand resulting from future changes to the railways. The cost of the reorganisation was assessed as £8.6m with £7.4m in savings identified to fund this so far. The further £1.2m challenge came in years 3 and 4 and further savings were to be made to meet this. In the event, however, that there was a shortfall in the short-term there may be a requirement to call on the reserve before the new operating model was brought into balance with the MTFP.
36. The three area model was recommended as this could be delivered at a cost of £750k less per annum than the four area model and had greater alignment with Network Rail routes. The strategic alignment for Trans Pennine Express and Northern were significantly improved under this model as these would be covered by one area.
37. The Authority thanked the Deputy Chief Constable for comprehensive presentation which was clearly backed by good and comprehensive thinking.
38. The Authority sought further information and assurance in three key areas of risk. These included -
 - 38.1. the potential risk for a loss of local focus;
 - 38.2. the operation and deployment in London such that there was clarity between policing and funding for London Underground, the TfL EPSAs and that for the overground.; and
 - 38.3. the potential impact on the PSA charges.
39. The Authority was assured that the new operating model would not impact on local accountability. Each of the new areas would have an Assistant Chief Constable with strategic oversight of the territorial area supported by a Chief Superintendent. The Areas would be broken down into Delivery Units and it was anticipated that this should actually improve local accountability. Also, as each route would be better aligned with BTP Areas the industry should have a clearer picture of their key contacts. The Authority requested assurance that those officers on the new Areas were of an appropriate rank to interface with their Home Office equivalents.

40. The Chief Constable stated that he was highly cognisant of the TfL funding and ensuring that there was no cross subsidy where this was non-core policing. Assurance was given that an operational unit covering the current L Area would be retained and it was suggested that the ACC for the London and South Eastern Area could possibly be based at Palestra. Mr Collins was thankful for the assurance but added that there would be significant scrutiny from TfL as the work progressed.
41. Any new operating model would have an impact on the charging model and work would take place to remodel the 2012/13 charges to develop an indication of what the charges would have looked like for 2012/13 had the three area model been in place.
42. The Authority gave their support for the three-area model and approved an interim model and the selection of people for this, noting that the proposed project timescales were very challenging.
43. **Agreed**
- 43.1. The Authority gave their support for the three-area model and approved an interim model and the selection of people for this.
- 43.2. Further information to be provided to the Authority by BTP for the September meeting to enable further challenge and dialogue on the detail of the three area model. The information to include -
- 43.2.1. a map of the Area structures, including management teams;
- 43.2.2. assurance on the capabilities of those who would be filling the roles and the understanding of scope of the role;
- 43.2.3. assurance that BTP would have the right level of interface with Home Office forces nationwide;
- 43.2.4. assurance on the financial and organisational implications with respect to TfL funding; and
- 43.2.5. that the Executive provide information on the potential impact on PSA charges.

37/2013 Finance Committee Quarter 4 Report

Agenda Item 7

44. The Force had reported a final spend under budget for both the overground and L Area. The establishment continued to be below budget as a number of positions were being filled with fixed term contracts as a result of the move to a new operating model.
45. There had been slippage of the capital budget which had been anticipated by the Committee. The Committee requested that the spend be more evenly profiled throughout the year in future.

46. The Chief Executive reported an underspend on his total budget but an overspend on legal fees.
47. The Committee recommended the additional spend of £1.2m on phase 3 of the CCTV project funded by Network Rail. This was approved and the Chief Executive authorised to sign the contract.
48. **Agreed**
- 48.1. The Authority approved the additional spend of £1.2m on phase 3 of the CCTV project funded by Network Rail and authorised the Chief Executive to sign the contract.

38/2013 Audit and Risk Assurance Committee Report

Agenda Item 8

49. The Audit and Risk Assurance Committee had endorsed its terms of reference.
50. There had been discussion on health and safety oversight and, in line with discussions at the People and Standards Committee, it had been decided that the PSC would monitor the detail of this on a quarterly basis and provide an annual assurance report to the A&RAC.
51. The A&RAC had reviewed the annual Accounts and recommended them to the Authority for approval.

39/2013 Annual Statement of Accounts 2012/13

Agenda Item 9

52. There had been regular meetings with the National Audit Office (NAO) and significant work by Finance on the management commentary accompanying the Accounts, in line with the revised form that was introduced in 2011/12. This included more information on BTP performance.
53. The key matter to note in the Accounts was the IAS19 pension adjustment, which led to a balance sheet liability of £174m. This was a very prudent assessment of pension liabilities and was thoroughly explained in the Accounts.
54. The Authority approved the Accounts for signature by the Accounting Officer.
55. The Chief Constable thanked Mrs Pike, Mr Hart and all those involved for their hard work.
56. **Agreed**
- 56.1. The Authority approved the Statement of Accounts for 2012-13 authorising the Accounting Officer to sign the Accounts as

presented and submit them to the NAO before being laid before Parliament.

40/2013 Quarterly Strategic Risk Reports

Agenda Item 10

57. The key risk to note from the Authority's register was the valuation of the police officer scheme. The PSAs were all signed with the exception of the one as had been discussed earlier in the meeting.
58. The risks to note from the BTP register were the information assurance risk and the legislative anomalies.
59. A possible risk to add in the future was the new operating model and the implementation of this. The risks resulting from this were covered in the business case and a view would be taken at the next Audit and Risk Assurance Committee as to whether this needed to be added to the strategic register.

41/2013 People and Standards Committee Report

Agenda Item 11

60. This had been the first meeting of the new style Committee which included people matters. The majority of the meeting had been spent looking at the people information that was available and how this could be used for the Committee's purposes without resulting in further work. The Committee was also taking care that it did not duplicate any work taking place in other committees.
61. There had been an issue with vetting for those who had joined the organisation pre-2007 reported to the Committee. The Force was developing an action plan detailing how this would be resolved and progress would be tracked through the Committee.
62. The Chair of the Committee reported that there had been 5 BTP officers in the stadium at Hillsborough none of whom were working for BTP any longer.
63. The Police Complaints Commissioner for Scotland had been replaced by a Police Investigations and Review Commissioner (PIRC). Following the move to a single police force for Scotland the PIRC would be responsible for investigations into complaint and conduct matters with respect to chief officers, as opposed to a chief officer from another force. The Authority was drawing up a new agreement with the PIRC to investigate any relevant complaint or conduct matters with respect to its chief officers should they occur in Scotland.

64. Mrs Towers was retiring from the Authority at the end of June having served two terms and it was announced that Mr Jackson would take over the chairmanship of this Committee.

PART II - ITEMS TAKEN IN PRIVATE

42/2013 Force Strategic Change Programme, Redundancy Options

Agenda Item 12

The Authority discussed the proposed voluntary severance scheme and agreed to recommend this to the DfT for approval with a number of conditions attached.

43/2013 Preliminary pensions Valuation as at 31 December 2012 - Police Officers Scheme

Agenda Item 13

65. The Pensions Working Group (PWG) had reviewed the preliminary results of the valuation of the British Transport Police Force Superannuation Fund (the "Fund") as presented to the Authority by the Trustee and the new Scheme Actuary. The Group had agreed that the overall aim should be to agree a valuation that was prudent, did not require any additional contributions from the Authority but allowed the flexibility to de-risk the assets at no extra cost to the Authority.
66. The paper presented to the (PWG) had set out the proposed assumptions and the potential challenges to some of those assumptions in the valuation currently proposed by the Trustee. It was agreed which assumptions should be challenged and that the Authority Finance Director should write to the Trustee giving the reasons for challenging them. It was noted that a letter had already been sent to the Trustee informing them of the known wage assumptions which should be incorporated in the next draft.
67. Once the assumptions were agreed by the Trustee, the next step would be to agree a recovery plan. It was anticipated that the assumptions would reduce the deficit from £80m to £23m.
68. In parallel to work on the valuation the benefits of the Fund would be reviewed. It was noted that the vast majority of the assets were in equity type assets and the intention was to move from equity to bonds as this would better match the pensioners. The Trustees had agreed to this but it had not taken place as a result of poor market conditions. The Scheme Actuary had suggested that initially 20-30% of the assets should be moved to bonds, with more moved in stages as market conditions allowed.
69. The Authority was advised that 20% of pensioners in the police officer scheme were in receipt of an ill health pension. This was high and it was agreed that the ill health dismissal process and the scheme rules should be reviewed.

70. Agreed

- 70.1. The Authority noted the changes proposed to the assumptions and the expected resulting deficit of around £23m (if all the proposed changes were accepted by the Trustee) and the ongoing engagement with the Trustee in relation to de-risking the Fund's assets.
- 70.2. The Authority noted the recommended BTP review of the current ill health pension policy and rules in place and that this should be reported to the Appointments and Remuneration Committee.

44/2013 Pensions Strategy - Update from the Pensions Working Group

Agenda Item 14

71. The Pensions Working Group had begun a strategic review of the police officers' pension arrangements. The intention of the review was to ensure that the Authority could offer pensions that were sustainable and affordable in the long-term, contributed to a competitive remuneration policy, were not out of step with the Home Office scheme and for which the costs would not increase above the current proportion of total police officer pensionable salaries.
72. It was recognised that if the Authority did not complete this piece of work it was likely that it would have new arrangements imposed on it by Government. The Pensions Working Group had been working towards finding a solution that achieved the stated intentions whilst remaining attractive, affordable and as good as the Home Office scheme.
73. The Home Office had not made an announcement on their police officer scheme. Therefore, the Authority was not in a position to take a decision on the BTP scheme and following substantive discussion recommended further work take place to develop the options debated further explore the points of clarification raised.
74. It was agreed that a robust and comprehensive communications plan was needed for the future as the details were refined and the Authority was in a position to take and communicate its decision.
75. **Agreed**
- 75.1. Further work to take place to develop the options debated and explore the points of clarification raised.

45/2013 AOB

Non Agenda

76. The Authority Chairman thanked Mr Collins, Mr Holden and Mrs Towers for their many years of service to the Authority. Each would

be missed and the Authority wished them the best for the future. The Chief Constable echoed these sentiments.

Date of next meeting: 26 September 2013, 10.00am, venue TBC