

# Minutes

Police Authority

Thursday 13 December 2012, 10.00am  
at G1&G2, FHQ, 25 Camden Road, London NW1 0EG

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## Present:

Millie Banerjee, Chairman  
Brian Phillpott, Deputy Chairman  
Lew Adams  
Howard Collins  
Colin Foxall  
Elizabeth France  
Michael Holden  
Len Jackson  
Bill Matthews  
Wendy Towers  
Anton Valk

## Apologies:

Patrick Butcher  
David Franks  
Jeroen Weimar

## In attendance:

Andrew Trotter, Chief Constable  
Paul Crowther, Deputy Chief Constable  
David McCall, Assistant Chief Constable Scotland  
Alan Pacey, Assistant Chief Constable Territorial Policing &  
Crime  
Steve Thomas, Assistant Chief Constable Central Operations  
Simon Hart, Head of Finance  
Elaine Derrick, Senior Advisor, BTP

Neil Lalley, Punter Southall (part)

Andrew Figgures, Chief Executive  
Samantha Elvy, Performance Review Manager  
Lucy Yasin, Authority Business Manager & Minutes

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## **PART I - ITEMS TO BE TAKEN IN PUBLIC**

### **66/2012 Welcome and Apologies**

Non Agenda

1. The Chair gave apologies from, Mr Butcher, Mr Franks and Mr Weimar.

### **67/2012 Minutes of Meeting 01 November**

Agenda Item 1

2. The minutes were approved as an accurate record.

### **68/2012 Matters Arising**

Agenda Item 2

3. All other actions had been discharged or were for discussion later on the agenda.

### **69/2012 Chief Constable's Report**

Agenda Item 3

4. The Chief Constable reported that it had been a very busy period for BTP with a high number of fatalities and the bad weather causing difficulties for the railway industry.
5. Performance against the Policing Plan targets was progressing well. There had been an increase in the number of recorded offences of theft of passenger property (TPP). A number of reasons for the increase were suggested including a general increase in TPP offences, a higher exception rate by the Metropolitan Police Service (MPS) resulting in more victims being directed to BTP and the Crime Recording Centre approach. BTP was taking a proactive approach to tackling this and was working collaboratively with London Underground. There was confidence that the situation would be under control early in the New Year.
6. The disruption strategies were working well and stakeholders had reported their satisfaction in this area. The West Midlands had become a metal theft hotspot with a number of gangs operating in the area. A number of arrests had been made but had so far had little impact. BTP continued its focus on the area.
7. There was doubt over the level of funding that would be available for fighting metal theft in the next financial year as DfT regarded this as a Home Office issue. This had caused anxiousness as it was a significant issue for BTP and if funding was not available BTP did not anticipate the same level of response from partners. The Deputy Chief Constable advised that he had written to the Home Office putting forward the BTP case for funding before the autumn statement was announced. A response was expected in the next two weeks. It was felt that the BTP bid was strong but with the introduction of the new Police and Crime Commissioners (PCCs) the majority of central funding was being

devolved so the situation was not promising. A possibility of redirecting any Olympics underspend to metal theft was also being explored. It was noted that should additional funding for metal theft not be forthcoming this could put the achievement of the proposed Policing Plan target in doubt but BTP would continue to tackle metal theft with as many resources and as much time as they could manage.

8. The Chief Constable reported that the new governance structure at BTP was fully implemented and working well. He felt that the number of meetings at both BTP and BTPA needed further rationalisation to provide more time to focus on the task of policing.
9. The Chief Constable had met Stephen House, the new Chief Constable of the Single Scottish Police Force, and reported a good relationship between BTP and the Scottish Police Force. There had also been a meeting with the new Rail Minister at the DfT, who was hopeful to resolve the firearms issue with respect to legislation.
10. Guidance on social media management was due to be released in the next week. The Chief Constable advised that BTP were working towards accepting crime reports through mediums such as text and the internet, but he wanted to ensure that the structure was in place to meet the anticipated demand before this was publicised. London Underground Ltd (LUL) was rolling out a wireless network across the tube system and it was agreed that it would be helpful for Assistant Chief Constable Pacey and Mr Collins to meet and discuss how the reporting of crime through these new avenues could be publicised.
11. Statistics on football policing were all showing a reduction in crime but the railway industry was reporting an increase in anti-social behaviour (ASB). The Chief Constable advised that he had been clear to BTP officers that all crime must be recorded and where there was any violence or aggression this must be dealt with by way of arrest and not fixed penalty notices.
12. The Authority requested a further update on the investigation of the Scotland derailment at their next meeting.

### 13. **Agreed**

- 13.1. Assistant Chief Constable Pacey and Mr Collins to meet and discuss how the reporting of crime through the new mediums could best be publicised
- 13.2. A further update on the Scotland derailment to be provided in the Chief Constable's Report the next meeting.

**70/2012 Chief Executive's Report**

## Agenda Item 4

14. The Transport for London (TfL) Board had agreed the new Police Services Agreement (PSA). The next step was to circulate this to Members following which it would be sent to the Secretary of State for approval. Approval from the Secretary of State approval was not anticipated to be an issue as both parties to the PSA were recommending it and DfT financial exposure had been limited.
15. The Insurance issue had delayed the PSA, but it had now been agreed that the public liability insurance would transfer to BTP from October 2013 as this represented the best value for money. TfL would provide the funds to pay for this.
16. The Chairman had contacted all PCCs to congratulate them on their elections. A number had requested telephone calls in response and these were taking place. A strategy was required to manage the demand from the PCCs and the Executive was urgently developing this. It was agreed that the Executive would provide Members with guidance on communications with PCCs. BTPA was also a Member of the Association of Police and Crime Commissioners and (APCC) and the Chairman would be speaking at the next APCC meeting.
17. The Chief Constable reported that the feedback from ACPO was largely positive with respect to relationships with PCCs. BTP was looking at whether they could develop datasets at a county force level to help compare and contrast with the Home Office regions.
18. A review of Committee information had been completed to identify any duplication. The review had identified a number of topics that split across committees/groups but little evidence of duplication. A full review of the BTPA governance and structure would take place in the New Year and all would be consulted. The fundamental point was that BTPA had a number of responsibilities which it had to address but was open to new ideas on how these could be discharged.
19. **Agreed**
  - 19.1. The Executive to provide Members with guidance on the PCC communication strategy.

**71/2012 Revenue Budget Proposals 2013/14**

## Agenda Item 5

20. The Strategy Group had reviewed the Medium Term Financial Plan (MTFP), the first year of which had been referred to the Finance Group. The Finance Group had looked in more detail at the risks and assumptions associated with year one, which would form the 2013/14

budget. It was noted that the risks and assumptions for year one would need careful monitoring.

21. The current breakdown provided some central funding from savings for police officers where they had been funded by savings. It was agreed that where these officers were allocated to an area for a short term assignment the cost should be held centrally. Where there were longer term assignments the costs should for clarity be held within the Area budget. The Chief Constable stated his strategy was to continue to identify savings for reinvestment in front line police officers.
22. A risk to the charging model for 2013/14 was the footfall data for Network Rail as this had not been updated since 2007 and could affect the allocation of the charges. The Authority was in discussion with Network Rail and considering the possibility of obtaining the data from another source, where this was considered more appropriate.
23. The Finance Group had recommended that the BTPA budget be reduced to a standstill budget and this had been remodelled to accommodate this. The main challenge for the BTPA budget would be on legal costs should there be any arbitration.
24. Following advice from the Finance Group, who had worked with BTP, and the detailed budget breakdown that would come out later, the Authority was asked to approve the gross BTP overground budget of £203.962M for 2013/14 leading to a PSA charge of 202.362M. This left a £200k challenge for BTP to fund.
25. The indicative breakdown figures that were available at this time were appended to item 5.2 and the core budget would be disaggregated and reported to Finance Group in March. The Authority approved the budget of £203.962M for 2013/14 with the proviso that if there were material differences in either direction resulting from changes to the risks or assumptions the amended budget would be presented to the Authority for approval in March.
26. **Agreed**
  - 26.1. The gross BTP overground budget of £203.962M was approved.
  - 26.2. The detailed breakdown of this figure to be reported at the March Finance Group.
  - 26.3. The Authority approved the budget of £203.962m for 2013/14 with the proviso that if there were material differences in either direction resulting from changes to the risks or assumptions the amended budget would be presented to the Authority for approval in March.

**72/2012 Strategy Group Report**

## Agenda Item 6

27. The Strategy Group had developed a vision statement and objectives that were presented for discussion and approval for consultation. The intention was to contextualise the future to ensure that there was a shared understanding of what BTPA and BTP were trying to achieve.
28. The current proposals reflected an intermediate position that had been developed following the initial consultation with PSA holders and a more detailed consultation was planned before the Strategy came back for approval in March.
29. It was noted that whilst the Strategy had to be approved by the Authority the Strategy had to be jointly owned by the Chief Constable and the Chair.
30. There were some specific concerns raised with respect to style, tone and language, and the importance of reflecting the independence of BTP in the Strategy. These were to be addressed before the document was sent out for consultation.
31. BTP had two main customers, the passengers and the industry, and there was a concern that in the current draft the passenger voice was not reflected strongly enough. It was acknowledged that there was sometimes a tension between the two and this needed to be recognised within the Strategy along with how BTP would manage this. There was also a request that the metrics reflected the TfL equivalents where these did not match those used by the over ground rail industry.
32. The next steps were to reflect the comments made and produce an updated draft which would be sent out for consultation. The draft for consultation would be accompanied by a letter setting out the discussions that had taken place to provide some context.

**33. Agreed**

- 33.1. The current draft to be amended to reflect the comments made before being sent out for consultation accompanied by a letter setting out the context within which the Strategy had been developed.

**73/2012 Policing Plan - National Targets**

## Agenda Item 7

34. There had been good progress on the Policing Plan national targets for 2013/14 and this was now ready to go out for consultation. The

draft targets were presented to the Authority for comment ahead of the consultation.

35. There were ongoing discussions with respect to a numerate target for disruption which was the objective for both BTPA and BTP. The risk around the loss of specific metal theft funding was a threat to achieving such a target but BTP had a clear ambition to continue to reduce delay minutes. However, before such a target could be agreed BTP needed to engage further to understand how this could best be measured. The difficulty of attributing reduction in delay minutes to a particular cause as a result of the high level of variables was noted.
36. The position on the disruption to be clearly reflected in the consultation documents.
37. The Policing Plan was approved for consultation with an explanation on the risks to the disruption target.
38. Mr Holden advised that both he and the Deputy Chief Constable would be attending the January Association of Train Operating Companies (ATOC) meeting to discuss the Policing Plan.

39. **Agreed**

- 39.1. The Policing Plan was approved for consultation with an explanation on the risks to the disruption target.

**74/2012 Audit Committee Report**

Agenda Item 8

40. The Committee had been provided with a detailed overview of how Operation Enterprise was responding to back office issues.
41. The audit reports had shown a significant turnaround in the way that BTP was responding to audits and in the results achieved.
42. It had been agreed that an expert opinion on health and safety compliance should be sought annually for assurance that BTPA was fully complying with its duties as the legal employer for all BTPA and BTP staff.
43. It had been Mr Foxall's last Committee meeting and the Committee had wished him well and thanked him for his hard work as Chair. Mr Phillpott would be succeeding Mr Foxall as Chair of the Committee.

**75/2012 Quarterly Strategic Risk Reports**

Agenda Item 9

44. The key risks for BTPA were the police officer pension fund and the new PSA, both of which were to be discussed in detail in the closed part of the meeting.
45. BTP had reopened the Disaster Recovery risk following a delay to failover test which would demonstrate completion of the project. The failover test was now planned for March 2013. The failover would be tested by the phased switching off of servers on Areas which had resulted in the delay but this was considered a safer option. Work to optimise and centralise data as well as virtualise desktops would take place at the same time resulting in savings for BTP.
46. The counter terrorism risk had been moved to ALARP (as low as reasonably practicable).
47. It was suggested that the risk arising from the introduction of PCCs should be considered for addition to the BTPA Strategic Risk Register.

**47.1. Agreed**

- 47.1.1. The risk arising from the introduction of PCCs should be considered for addition to the BTPA Strategic Risk Register

**76/2012 Code of Governance - Scheme of Delegation**

Agenda Item 10

48. This had been reviewed by the Audit Committee who had recommended it for approval with the caveat that the ex gratia delegation for the Chief Executive should be removed as all ex gratia and redundancy payments were required to go through the DfT and Authority owing to the reputational risk.
49. The proposed scheme of delegation separated out the BTPA and BTP delegations into two tables the clarity of which was welcomed.
50. The scheme of delegation was approved, subject to the Chief Executive proposing a way forward on the ex gratia payment matter.
51. **Agreed**
  - 51.1. The scheme of delegation, with the removal of the ex gratia delegation for the Chief Executive, was approved with immediate effect.



Not Protectively Marked

## **PART II - ITEMS TAKEN IN PRIVATE**

### **77/2012 Pensions Strategy review - Police Officers**

Agenda Item 11

52. The paper described the problems that the fund was facing and the potential financial impact.
53. The cost of providing a defined benefit scheme had risen substantially in recent years and given the market conditions was expected to rise further. Therefore, the Authority needed to investigate options for the future affordability of the scheme.
54. The importance of retaining a competitive employment package for police officers was recognised but it was important that the seriousness of the situation was understood along with the implications. BTPA must be correctly placed in the market for the policing/railway industry. Also, the scheme must fit with the direction of the people strategy and take account of all dimensions to ensure that there were no unintended consequences.
55. Mr Lalley gave examples of the situation in other sectors noting that the number of final salary schemes in the private sector had declined and only 5-10% of remaining schemes were allowing new members to join. Public sector schemes were also being amended to make them more affordable following the Hutton and Winsor reviews.
56. It was suggested that a pensions session should be held immediately before the Authority meeting in January to review this in more detail once the valuation figures had been received. A recovery plan for the expected deficit resulting from the police officer scheme valuation was required by March 2014.

### **57. Agreed**

- 57.1. A session to be held immediately prior to the January Authority meeting

### **78/2012 New PSA Update**

Agenda Item 12

58. The DfT officials had assured the Authority that the new PSA would be approved by the Secretary of State in time for the PSA holders to sign ahead of 31 March 2013. If for any reason the PSA were not signed by all or one of the PSA holders by this date any shortfall would be funded by the DfT. There was not clarity at the time of the meeting as to whether this would be grant-in-aid or a loan, but written advice stated that as BTPA accounts were consolidated with those of the DfT the funding should be grant-in-aid.

59. ATOC had a number of issues with the PSA which they had raised with DfT.
60. A revised PSA had been developed following discussions with DfT lawyers. The DfT concerns centred on the possible challenge and resulting financial exposure. The DfT had requested that a procedural document be developed to be read in conjunction with the PSA. This was not to be a memorandum of understanding (MoU) as a MoU was not legally binding and therefore considered unnecessary.
61. DfT were concerned that BTPA could be seen as charging in arrears as some of the data in the charging model was for the previous year as this was the best way to approximate charges going forwards. The DfT requested that BTPA carry out an annual reconciliation when they have the actual spend data and relevant annual information for the previous year. The outcome of this would then be recovered/refunded by way of an adjustment to the next financial year's charge after the year in which the reconciliation took place. Whilst addressing the risk it could be perceived as introducing another.
62. The PSA had been amended to include a clause that the charging model inputs would not be amended without a three year advance notification. This went some way to addressing the industry concern with respect to uncertainty of charges. The legal advice was that any smoothing would not be compliant with the Act.
63. ATOC reported concerns from the industry with respect to non-payment by other PSA holders and the potential impact of this on the charges of the other PSA holders. The legal view was that this would be pursued through the Courts and companies would be expected to pay in receipt of a court order owing to the reputational damage should they not. It was not considered appropriate for any clauses to be included in the PSA that referred to actions of the DfT as they were a third party.
64. The MTFP could not be limited to an existing index, as had been suggested by ATOC), owing to the responsibilities placed on the Authority and the Chief Constable from the Act. The DfT had also been clear that exceptional events would be paid for by the PSA holders as part of the user pays principle, and not the DfT.
65. As much movement as possible towards satisfying the concerns raised by ATOC had been made following discussions with DfT. In summary the key changes since the Authority had last seen the PSA were:

- 65.1. The inclusion a 3 years notice period for changing inputs to the charging model
  - 65.2. The agreement to produce a procedural document exposing the BTPA processes in detail.
  - 65.3. An annual reconciliation and adjustment to charges to reflect the outcome.
66. As this was a complicated area the Chairman asked the Chief Executive to prepare a paper for Members which clearly bullet pointed the key changes to the document since it had last been before the Authority, the current position and the final steps in the process. It was also suggested that BTPA should initiate a meeting with ATOC to update them on discussions with the DfT.

**67. Agreed**

- 67.1. The Chief Executive to circulate to members a paper bullet pointing the key issues, the current position and the final steps.
- 67.2. BTPA to initiate a discussion with ATOC to explain the point the PSA had reached and the reasons why.
- 67.3. BTPA to write to PSA holders explaining the position.

**79/2012 Minutes continued**

Agenda Item 13

68. The minutes were approved as an accurate record.

**80/2012 AOB**

Non-Agenda

69. The Chairman announced that the Secretary of State for Transport had extended her contract for a further 3 years from 01/12/12.
70. The meeting had been Mr Foxall's last as he was retiring from the Authority at the end of his second term having served 7 years. The Chairman thanked Mr Foxall personally for all the support he had given to her and on behalf of the Authority, adding that she was sad that he was departing as she felt his loss to the Authority.
71. The Chief Constable added his thanks on behalf of BTP for Mr Foxall's support.
72. Mr Foxall thanked the Chairman and his colleagues for their support and the Chief Constable and BTP. He also thanked the staff at both BTPA and BTP for their hardwork and friendship during his time at the Authority.