

Report to: Police Authority
Agenda item: 4
Date: 1 November 2012
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.

2. PSA and Charging Update

- 2.1 A further meeting was held with the DfT lawyers on the 25 October to discuss the current draft of the PSA. It is expected that, subject to a number of minor drafting amendments, the contract will be presented to the Minister for Transport before the end of November. This contract incorporates some amendments requested by ATOC. ATOC are meeting with the DfT in early November to ensure their remaining concerns are considered.
- 2.2 Subject to approval by the DfT, it is envisaged that the revised PSA can be circulated to the PSAs prior to Christmas for signature.
- 2.3 Work has commenced on the charging model run for 2013/14 and although the final charges will not be known until mid March 2013, we are now reviewing the potential movements in charges between this year and next year for all PSA holders.

3. Year End Accounts

- 3.1 A draft timetable has been issued by BTP Finance in line with the requirements of the DfT timetable.
- 3.2 A debrief on the lessons learnt across the DfT on the annual accounts process for 2011/12 was attended by the Authority Finance Director. Planning on improving the areas that led to

small delays in the process are being discussed with the NAO in order to further streamline the year end process.

- 3.3 The MAR for the six months to 30 September 2012 has been approved by the Audit Committee and will be sent to the DfT by 2 November 2012.

4. Pan London Agreement

- 4.1 Members and BTP were asked to feed back any comments on the latest draft of the Pan London agreement being negotiated with Transport for London. Comments received are now being considered.
- 4.2 Subject to adequate recompense from TfL, a solution has now been reached on the insurance for public liability, with the transfer of any costs and liability being transferred to BTP/A from 1 October 2013, the first point at which the insurance can be renegotiated.
- 4.3 TfL and London Underground have proposed a further change to the wording around the amount of contribution towards overheads which they currently pay. It was agreed by the previous LU Head of Finance that the overhead value paid should represent a fixed percentage of the core costs and would be renegotiated if the core policing value or FHQ costs changed by more than 10%. They have now requested that this charge be agreed on an annual basis, in the same way as it is now. Although this will be more time consuming, this has been agreed.
- 4.4 A number of small amendments have been suggested by our lawyers based on the latest version received from TfL on 24 October 2012 and these will be sent to TfL in the week commencing 29 October 2012. TfL will then be seeking approval from their Board in December and we will send the agreement to the DfT for their approval. We should therefore be in a position to sign the contract shortly after that.

5. Pensions Update

- 5.1 A pension sub group is being held on 13 November to discuss auto enrolment and the 2012 Police Office valuation, and the potential impact of Hutton. It is envisaged that an update paper will be presented to the Authority in December.

- 5.2 Members will recall that the RPS Police Staff section had a full valuation carried out at 31 December 2012. This resulted in a technical provision funding level of 110% (on asset values of £58.4 million). Despite the surplus no changes were made to the contribution rates because of concern around the fluctuation of the Asset values and future liability assumptions. The interim valuation received for the end of December 2011 has reported that the technical provision funding level has fallen to 100% (on asset values of £63.6million), the prudent approach on contribution levels was therefore justified.

- 5.3 A verbal update will be given on the unauthorised pensions and meeting being held with the individuals affected on 30 and 31 October 2012.

6. Member Recruitment

- 6.1 The DfT are seeking Ministerial and Press Office approval to the Press Release for the new Scottish Member.

- 6.2 Preparations are being put in place for the 2013 recruitment process. The DfT will be producing a Ministerial Submission seeking agreement to the recruitments, which will include three Second Term Expirations, including the Welsh Member role, one First Term Expiration extension or replacement and a new recruitment role. If all roles are successfully recruited the number of members will be fifteen.

7. Governance

- 7.1 The Authority Business Manager is conducting a review of the Corporate Governance Code following revised guidance from HM Treasury and audit feedback which identified some areas that would benefit from further clarity.

7.2 The Authority Finance Director is also working with BTP reviewing the scheme of delegation and proposals will be presented to the next Audit Committee.

8. Strategic Performance Dashboard - Update

8.1 A summary update has been attached at Appendix A.

9. Contracts

9.1 The Chief Executive signed and sealed the following contracts:

- EPSA for DLR - ERU x 2 - 27.9.12
- BTP's participation in the (next) proposed Pol - PRIMETT II EU funded project x 2 - 4.10.12
- BTP Licence to store occupation 423 Caledonian Road - 7.10.2

9.2 The BTPA Finance Director signed the following contract:

- Rent Review 7 Trafford Court, Doncaster x 2 - 16.10.12

10. Recommendations

10.1 Members are asked to note this report.

Quarter 2 2012-13 Strategic Dash



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Assurance:

Green	Substantial Assurance
Amber	Reasonable Assurance
Red	Limited Assurance

Direction of travel:

↑	Improving trend
↔	Stable trend
↓	Deteriorating trend

Operational Delivery	Current Situation	Status / Actual		Trend
		Q1	Q2	
Common & local targets performance (incl. sickness & response times) ⁱ (Performance Review)	Q2: 8/11 National and 32/38 Local Policing Plan targets being achieved.			↑
	Q1: 8 /10 National and 29/38 Local Policing Plan targets being achieved.	10	4	
	The extra target in Q2 is the National target to respond to 95% of Olympic Immediate Incidents within 20 minutes. This was achieved on 93% of occasions.	1	4	
	The 3 National targets not being achieved were: <ul style="list-style-type: none"> N2: Respond to 95% of Olympic Immediate Incidents within 10 minutes (achieved 93%) N5: Reduce the number of recorded notifiable offences excluding police generated offences (25,553 offences compared to target of 25,532); N11: Increase hours worked by Special Constables (34,376 hours compared to target of 36,829) 	37	41	

Finance	Current Situation	Status / Actual	Trend
Cashflow ⁱⁱ (Finance)	Q2: Cash balance: £43,151	£43,151	↑
Revenue budget (BTP/A) ⁱⁱⁱ (Finance)	BTP to Q2: actual 0.7% underspend (£721k). Forecast outturn for 2012/13: 0.04% underspend (£98k)	0.04%	↑
	LU to Q2: actual: 0.5% overspend (£123k) Forecast outturn for 2012/13: In line with budget of £51.9m.	0%	↔
Capital programme ^{iv} (Finance)	BTPA to Q2: actual 18.3% underspend (£140.4k) Forecast outturn for 2012/13: In line with budget of £1.87m	0%	↔
	Capital outturn Forecast at Q2 is £10.5m, as compared to the approved programme of £11.6m. Contingency of £1.1m	9.4%	↓
Debtors recovery ^v (Finance)	Outstanding total core PSA debtors at Q2: £16.7m	Aged debt - Q2: current:	89.3%
		Aged debt - Q2: -30 days:	10.2%
		Aged debt - Q2: +30 days:	0.1%
		Aged debt - Q2: +60 days:	0.4%
Headcount versus establishment ^{vi} (Finance)	At Q2: 173 FTEs below the overall establishment of 4,750 (Police Officers: 59 FTEs below, Staff: 91 FTEs below, PCSO: 22 FTEs below)	3.6% below FTE est.	↑
Police officer pay ^{vii} (Finance)	Q2: Police officer pay costs (excluding overtime) are forecast to be £44k overspent at the end of 2012-13.	Overtime: £13K overspend	↓
	Police officer overtime is forecast to be £13k overspent	Pay: £44K overspend	

People and Culture	Current Situation	Status / Actual		Trend
Learning & Development ^{viii} (Performance Review)	Mandatory Training (Track Safety, Personal Safety, First Aid at 100%)	95%		↓
	Supervisor Training (Supervisory training is commenced by over 90% of Officers within 1 month of taking up supervisory duties)	37.5%		↔
Delivery of Equality & Human Rights Strategy ^{ix} (Performance Review)	The Q2 Performance Review Group received the 6-monthly stop and search update; there were no issues of concern with regard to proportionality. The Group was received the HR Corporate Advisory Services Team 2011-12 EDHR Annual Report, Female officer representation was discussed.	15.9% female officers 7.1% BME officers		↑
Employee Turnover ^x (Performance Review)	<ul style="list-style-type: none"> Police officer turnover: 4.4% PCSO turnover: 17.4% Police Staff turnover: 15.9% 	8.9%		↑
Complaints / Conduct ^{xi} (Professional Standards)	Q2: 143 complaint and conduct matter cases (105 complaint & 38 conduct matter cases recorded). (Q1: 108 complaint & conduct matter cases recorded)	32% increase		↓
Number of grievances ^{xii} (Professional Standards)	40 grievances (43 grievances received during April - September 2011)	40		↑

Organisational Development	Current Situation	Status / Actual		Trend
Risk management (BTP/A) ^{xiii} (Audit)	The high strategic risk entries, which have remained Red, are BTPA ASR50 and ASR52. ASR50 and ASR52 relate to risks of the post 2013/14 PSA and charging regime;	<u>Strategic Risks</u>		↔
		Q1	Q2	
		3	2	
		8	5	
		2	1	
		13	8	
Audit & inspection outcomes (level of assurance / gradings given) ^{xiv} (Audit)	Four tribal reports went to the September Audit Committee: <ul style="list-style-type: none"> ICT Management Controls; Assurance Review of the Promotions Arrangements; Area Compliance Checks - London South; and Area Compliance Checks - Wales and Western 1 Partial Assurance for Area Compliance Checks - Wales and Western: Vehicles.	1 None / Partial Assurance		↑
		5 Reasonable Assurance		
		8 Substantial / Full Assurance		
Post-inspection improvement plans progress ^{xv}	HMIC inspected BTP in April 2012 regarding its response to ASB. The final report was received in August 2012. BTP has developed an improvement plan with 37 areas for improvement. An improvement plan, with 23 areas for improvement, has been developed in response to the national recommendations from the HMIC report 'Without Fear or Favour', which will be published in October. HMIC undertook a re-inspection in July 2012.	Q1	Q2	

Strategic Dash Method

ⁱ Assurance: Mean RAG rating for force progress against national targets (Individual RAG ratings as per 2012/13 Policing Plan Targets Objectives). (A higher number of targets may be shown in the dash than the BTP quarterly report as these figures include all national and local targets, and include each of the local disruption targets that contribute to the national policing plan target N1.

ⁱⁱ Substantial Assurance: Cash position forecast is better than previous period, Reasonable Assurance: same as previous period, Limited Assurance: less than previous period.

ⁱⁱⁱ Revenue budget is Green: forecast 1.5% or less underspend, Amber: 1.5-3% underspend, Red: over 3% underspend, or any overspend.

^{iv} Capital outturn is Green: Underspend, Amber: N/A, Red: Overspend.

^v Substantial Assurance: Higher proportion of aged debt is within the current and +30 days categories, Reasonable Assurance: Higher proportion of aged debt is within the +30 and +60 days categories, Limited Assurance: Higher proportion of aged debt is within the +60 and +90 days categories.

^{vi} Substantial Assurance: Headcount is less than 2% under establishment, Reasonable Assurance: 2-5% under establishment, Limited Assurance: More than 5% under establishment, or over establishment.

^{vii} Substantial Assurance: Net underspend for police officer pay costs, Reasonable Assurance: net underspend, but deteriorating trend, for police officer pay costs, Limited Assurance: Net overspend.

^{viii} Assurance: RAG ratings as per BTP Learning and Development Tasks/Objectives Departmental Key Performance Indicators.

^{ix} Assurance: Mean RAG rating taken from situation overview, and BME and female officer representation. Situation overview is a subjective view taken from previous Performance Review Group (Green). BME and female officer representation based on internal staff representation targets. BME officer representation target is to maintain levels above 7.0%. Female officer representation target is to maintain levels above 16.2%. High Assurance: At or above 7.0% BME / 16.2% female officer representation, Reasonable Assurance: 6.0%-6.9% BME / 14%-16.1% female officer representation, Limited Assurance: Under 6.0% BME / 14% female officer representation.

^x Assurance: High Assurance: turnover increased by less than 1%, or decreased from previous period; Reasonable Assurance: increased by between 1 and 5% since previous period; Limited Assurance: increased by 6% or more.

^{xi} Assurance: High Assurance: number of complaint & conduct cases decreased from previous period; Reasonable Assurance: increased 5% or less than previous period; Limited Assurance: increased by 6% or more.

^{xii} Assurance: Grievances increased by less than 1%, or decreased from previous period; Reasonable Assurance: increased by between 1 and 5% since previous period; Limited Assurance: increased by 6% or more.

^{xiii} Assurance: Mean risk RAG rating. Quarter risk ratings are total number of risks shown on BTP and BTPA risk registers as per Audit Committee BTP Risk Management Update and Audit Committee BTPA Risk Register.

^{xiv} Assurance: Mean RAG rating for Tribal Internal Assurance Report assurance ratings Green: mostly full/substantial assurance, Amber: mostly reasonable assurance, Red: mostly partial/none assurance.

^{xv} Assurance: Status/Actual RAG ratings as per post-inspection improvement plans reported to BTPA Performance Review Group. Overall assurance: mean RAG rating, with completed AFIs / recommendations equal to post-inspection improvement plan Green RAG rating.