

Report to: Police Authority
Agenda item: 4
Date: 6 November 2013
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.

2. Pan London Agreement

2.1 A final draft has been agreed with the DfT lawyers. A revised copy of the PSA, updated for 2013/14, and including the transfer of the public liability insurance is now with TfL for final comment and review. Once TfL are content the PSA will be signed.

3. Pensions Update

3.1 The valuation of the Police Officers scheme has been agreed by the Authority and is with the Trustee for final approval. The recovery plan will be finalised as part of this process, with the recommendation being that the current level of payments to make good the deficit should continue as planned for 2014/15, 2015/16 until May 2016.

3.2 Work on the valuation of the Police Staff scheme as at 31 December 2013 has now commenced, with work around the assumptions being reviewed. It is expected that a first draft of the valuation will be available by 30 May 2014 from the Scheme Actuaries.

4. PSAs – New Format PSA

4.1 The issue arising from the refusal to sign the appended PSA is with Ministers for decision.

5. Ex-Gratia Payments Summary

5.1 No ex gratia payments have been approved since the last Authority meeting.

6. Q2 2013-14 Strategic Dashboard

6.1 This is attached as Appendix A

7. Triennial Review

7.1 Initial interviews are in progress.

8. Contracts

8.1 The Chief Executive signed the following contracts:

- Maidstone West – Heads of Terms and Agreement Lease – 27.9.13
- Tenancy at Will for a retail unit to provide storage space – Cambridge Police Station – 1.10.13

- Rent Review for Baches Street Scientific Support Unit (SSU) - 3.10.13
- Contract for BTPA Charging Model Verification for 14/15 charges - 16 October 2013 - value of £3.4k - 16.10.13
- Enhanced Police Service Agreement with Network Rail and South West Trains for an Emergency Intervention unit - 25 October 2013 - value of £384k
- Peppercorn Leases -22.10.13 for:
 - Bromley Station
 - Shortlands Station
 - Lewisham Station

9. Recommendations

9.1 Members are asked to note this report.

Quarter 2 2013-14 Strategic Dashboard

Assurance:

Green	For information
Amber	For monitoring
Red	Attention required

Direction of travel:

↑	Improving trend
↔	Stable trend
↓	Deteriorating trend

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Operational Delivery	Current Situation	Status / Actual		Trend
		Q1*	Q2	
Common & local targets performance ⁱ (Performance Review)	Q2: 6/9 National and 27/42 Local Policing Plan targets were achieved. The 3 National targets not being achieved were: <ul style="list-style-type: none"> N1: Reduce police-related disruption minutes from 2012-13 by 3% (missed by 12%) N3: Reduce notifiable crime (excluding police-generated offences) from 2012-13 by 3% (missed by 0.3%) N9: Improve the detection rate for notifiable public order offences (57% achieved compared to target of 59%) 			↑
		15	14	
		5	4	
		30	33	

*Q1 data excluded Target N5.

Finance	Current Situation	Status / Actual		Trend
		Q1	Q2	
Cashflow ⁱⁱ (Finance)	Period 6: Cash balance: £33.5m	£33.5m		↑
Revenue budget (BTP/A) ⁱⁱⁱ (Finance)	BTP to P6: actual 0.5% underspend (£465k) including L Area. Forecast outturn for 2013/14: 0.0% underspend (£21k)	0.0% underspend		↑
	LU to P6: actual: 0.4% underspend (£86k). Forecast outturn for 2013-14: In line with budget of £52,698k	0%		↔
	BTPA to Q2: actual 8.2% underspend (£51.1k). Forecast outturn for 2013-14: In line with budget of £1,872k	0%		↔
Capital programme ^{iv} (Finance)	Capital outturn forecast for 2013/14 at Q2: £11.08m including Contingency of £900k, which reflects a £118k under spend against the capital programme.	1%		↔
Establishment ^v (Finance)	At Q2: 156 FTEs below the overall establishment of 4,778 (Police Officers: 43 FTEs below, Staff: 108 FTEs below, PCSO: 5 FTEs below)	3% below FTE est.		↔
Police officer pay ^{vi} (Finance)	P6: Police officer overtime is forecast to be £175k overspent Police officer pay costs (excluding overtime) are forecast to be £139k overspent. Overall police officer pay overspend of £314k.	£314k overspend		↑

People and Culture	Current Situation	Status / Actual		Trend
		Q1	Q2	
Learning & Development ^{vii} (Performance Review)	Q2: Mandatory Training (Track Safety, Personal Safety, First Aid at 100%)	96%		↓
	Q2: Supervisor Training (Supervisory training is provided to officers within 3 months of promotion board)	94%		↔
Delivery of Equality & Human Rights Strategy ^{viii} (Performance Review)	Q2: Performance Review Committee received an update on progress with the Equality and Diversity Strategy. The PRC was pleased with the document as a work in progress but highlighted it was an internally focussed document that did not outline strategic duties for employment and service delivery. The Committee also received a 6-monthly update on stop and search. It was noted that a black person was 6.9 times more likely to be stopped and searched than a white person. It was highlighted that arrest rates were greater, as such BTP had no significant concern with regard to this proportionality ratio.	BTP: 16.6% female officers 7.4% BME officers		↔
	Employee Turnover ^{ix} (People & Standards)	Q2: - Police officer turnover: 3.1% - PCSO turnover: 10.7% - Police Staff turnover: 8.1% - Overall employee turnover: 5.2%	5.2%	
Complaints / Conduct ^x (People & Standards)	2013-14 Q2: 194 complaint and conduct matter cases (110 complaint & 84 conduct matter cases recorded). (2013-14 Q1: 165 complaint & conduct matter cases recorded)	18% increase		↓
Number of grievances ^{xi} (People & Standards)	1 October 2012 - 30 September 2013: 52 grievance cases (1 October 2011 - 30 September 2012: 75 grievance cases)	31% decrease		↑

Organisational Development	Current Situation	Status / Actual		Trend
		Q1	Q2	
Risk management (BTP/A) ^{xii} (Audit & Risk)	The high risk entries were: BTPA: ASR50 and ASR52 BTP: SR66, SR67 and SR68 The BTPA risks, which remained Red, ASR50 and ASR52 relate to risks of the post 2013/14 PSA and charging regime.	Strategic Risks		↓
		4	5	
		8	10	
		1	0	
Audit & inspection outcomes (level of assurance / gradings given) ^{xiii} (Audit & Risk)	Internal Audit Progress Report on the BTPA went to the September Audit and Risk Assurance Committee: Reasonable Assurance: Authority Delegations Scheme - Implementation and Compliance Substantial Assurance: Authority Charging Model	13		↔
		15		
		0 None / Partial Assurance 1 Reasonable 1 Substantial / Full		

Strategic Dash Method

ⁱ Mean RAG rating for force progress against national targets (Individual RAG ratings as per 2012/13 Policing Plan Targets Objectives).

ⁱⁱ Green: Cash position is more than £10m, Amber: cash position is between £5m-£10m, Red cash position is £5m or less.

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 Green: Headcount is less than 2% under establishment, Amber: 2-5% under establishment. Red: More than 5% under establishment, or over establishment.

^{vi} Green: Net underspend for police officer pay costs, Amber: net underspend, but deteriorating trend, for police officer pay costs, Red: Net overspend.

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

^{viii} 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. 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%. Green: At or above 7.0% BME / 16.2% female officer representation, Amber: 6.0%-6.9% BME / 14%-16.1% female officer representation, Red: Under 6.0% BME / 14% female officer representation.

^{ix} Green: High Assurance: turnover increased by less than 1 percentage point, or decreased from previous period; Amber: increased by between 1 and 5 percentage points since previous period; Red: increased by 6 percentage points or more.

^x Green: number of complaint & conduct cases decreased from previous period; Amber: increased 5% or less than previous period; Red: increased by 6% or more.

^{xi} Green: Grievances increased by less than 1%, or decreased from previous period; Amber: increased by between 1 and 5% since previous period; Red: increased by 6% or more.

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

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



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HEADS OF TERMS AGREEMENT FOR LEASE

New Tri Partite Lease

Subject to Contract

A.1 Parties

1. Landlord	London and South Eastern Railway Limited 3 rd Floor 41-51 Grey Street Newcastle Upon Tyne NE1 6EE Registered Company Number 04860660
2. Superior Landlord	Network Rail Infrastructure Limited Kings Place 90 York Way London N1 9AG Registered Company no. 02904587
3. Tenant	British Transport Police Authority Force Headquarters 25 Camden Road London NW1 9LN Contact : Leigh Stringer Tel : 020 7521 6263 E-mail : leigh.stringer@btp.pnn.police.uk
4. Station	Maidstone West, Station Approach, The Broadway, Maidstone, Kent ME16 8RJ

B.1 Agreement for Lease

5. Premises	Unit on platform 1 having an area of approximately (<i>to be confirmed</i>) and shown blue on the plan. The existence of a false ceiling <i>has to be confirmed</i> .
6. Conditions Precedent - Landlords Works	The Landlord shall undertake the Agreed Landlord's Works as per the Landlord's Work Schedule appended to these heads and detailed in drawings – Outline Proposal MDW 2012/001 dated 23/10/12 General Arrangement J0251-01 dated 14/3/12 Counter Section Details J0251-04 dated 14/3/12 The Landlord shall commence the Agreed Landlord's Works within 14 days of receipt of a Purchase Order raised by BTP in respect of their agreed Cost Contribution (see below).





7. Conditions Precedent - Tenants Works	The Tenant shall undertake the Agreed tenant's Works as per the Tenant's Work Schedule appended to these heads.
8. Conditions Precedent - Tenants Cost Contribution	The Tenant shall agree to contribute towards the costs of the Agreed Landlord's Works. The contribution shall be no more than £87,617.00 plus VAT and payment will be processed directly between the Landlord's and Tenant's respective finance departments. Payment will be requested by the Landlord on a monthly basis in arrears and will be based on the cost of completed works.

C.1 Lease

1. Lease Term	From Lease Start Date for a term of 25 years subject to determination by the Landlord or Tenant giving six months' notice at any time and the Landlord giving 28 days' notice to determine the lease in the event it urgently requires access for works or repairs.
2. Lease Start Date	To be confirmed
3. Landlord & Tenant Act	The lease will exclude the security of tenure and compensation provisions of the Landlord and Tenant Act 1954.
4. Lease Status	This is a new lease being granted to this Tenant for these Premises.
5. Minimum Guaranteed Rent	From Lease Start Date One peppercorn (if demanded)
6. Turnover Rent	Not applicable
7. Rent Review	No rent review will apply during the lease term
8. Rent Commencement	The rent will commence on the Lease Start Date.
9. Rent Deposit	Not applicable
10. Service Charge	Not applicable
11. Utilities	The Tenant will be liable for the cost of all utility consumption on the Premises. Utilities to be sub-metered by the Landlord if not separate.
12. Insurance	The Tenant will be responsible for obtaining adequate insurance cover for the Premises including employee and public liability where required. Buildings insurance cover is not required as this is dealt with by the Landlord. If not previously provided the Tenant will be required to provide evidence of cover to the Landlord within 7 days of the completion of the lease.
13. Repairs	The Tenant will be responsible for all non-structural repairs to the premises.
14. Alterations	No alterations to the structure of the property are permitted. Non-structural alterations to the Premises may be undertaken subject to approval by the Landlord and approval of related method statements and the issue of permits to work.
15. Agreed Use	Operational police office.



16. Parking	The Landlord will grant the Tenant access to three car parking spaces and one motorcycle parking space, the locations of which to be at the Landlord's discretion.
17. Alienation	The lease is personal to the Tenant. Assignment or under letting of the whole or any part of the premises is prohibited as is any sharing or parting with possession. The Premises must be occupied solely by the Tenant.
18. Trading Hours	24/7 access/use
19. Legal Costs	Each party will bear their own costs in respect of the production of this lease agreement.
20. General	The lease shall otherwise be granted on the Landlord's standard terms.
21. Tenant's Solicitor	Thomson Snell & Passmore FAO : Josephine Willoughby Tel : 01892 701163
22. Landlord's Solicitor	Wrigley's Solicitors 19 Cookridge Street Leeds LS2 3AG FAO: Elizabeth Wilson E-mail : Elizabeth.wilson@wrigleys.co.uk Tel: 0113 244 6100 Fax: 0113 244 6101 DX 12020, Leeds 1
23. Landlord's Agent	Travel Point Trading Ltd. Union House 182 – 184 Union Street London SE1 0LH FAO : David Murray E-mail : david.murray@tpt.gb.com Tel : 020 7921 2936 Fax : 020 7401 9243
24. Superior Landlord's Representative	Rebecca Mordey Station Portfolio Surveyor, Kent Suite 2, Floor 4 Waterloo Station London SE1 8SW Tel: 020 904 9947 Email: Rebecca.mordey@networkrail.co.uk



25. Conditions	Subject to Contract and completion of formally executed legal documentation Subject to London & South Eastern Railway Limited Approval Subject to Superior Landlord Approval
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Signed by the Tenant.....

Name.....

Date.....

Signed by L&SER Ltd.....

Name.....

Date.....

Signed by Network Rail Infrastructure Ltd.....

Name.....

Date.....

These Heads of Terms are not intended to create any legally binding obligations and do not constitute a commitment by London & South Eastern Railway Limited and no liability will be accepted by them or their agents for any expenses incurred by any party.

These Heads of Terms are confidential to the intended parties to the proposed lease and to their professional advisors.

Corporate Services Operations



BTPA Cover Note

- 1) **Property Name:** CAMBRIDGE POLICE STATION
- 2) **Proposal:** Tenancy at Will for a retail unit to provide storage space (289 square feet) for adjacent police station.
- 3) **Strategic Fit:** Enables the re-development of Cambridge Station by Abellio Greater Anglia and allows direct access for BTP to stand alone secure storage facilities.
- 4) **Landlord:** Abellio Greater Anglia Limited
- 5) **Agent:** Abellio Greater Anglia Limited
- 6) **Annual Rental (Exc. VAT):** Peppercorn
- 7) **Annual Revenue Implication:** Nil
- 8) **Start Date:** 28th September 2013
- 9) **End Date:** N/A – Tenancy at Will
- 10) **Break Clause (if applicable):** 7 days by either party
- 11) **Additional Comments:** N/A

Signed:

A handwritten signature in black ink, appearing to read 'Leigh Stringer', written over a dotted line.

Leigh Stringer – Head of Corporate Services

01/10/2013

Date



Corporate Services Operations

BTPA Cover Note

- 1) Property Name: BACHES STREET SCIENTIFIC SUPPORT UNIT (SSU)
- 2) Proposal: Memorandum of Rent Review for a nil increase at the 5 yearly rent review for the Scientific Support Unit at Baches Street. This consists of 1060 square metres of office/light industrial space.
- 3) Strategic Fit: Baches Street will not be impacted by the restructure project and will continue to run as BAU. However its role as a SSU supports frontline officers in delivering the 20/20/10 objectives – in particular, the 20% reduction in crime.
- 4) Landlord: Castledene Investments Ltd (since changed to Origin Properties)
- 5) Agent: Castledene Investments Ltd (since changed to Origin Properties)
- 6) Annual Rental (Exc. VAT): £232,000 (nil increase) with effect from 20th December 2012.
- 7) Annual Revenue Implication: No increase
- 8) Start Date: 20th December 2002
- 9) End Date: 20th December 2017
- 10) Break Clause (if applicable): N/A
- 11) Additional Comments: BTP's appointed commercial agent has reduced the landlord's rental proposal from £274,000 per annum to £232,000 per annum. This will deliver tangible savings of £210,000 over the next 5 years.

Signed:

03/10/13

Leigh.Stringer – Head of Corporate Services

Date



Corporate Services Operations

BTPA Cover Note

- 1) **Property Name:** Bromley Station
- 2) **Proposal:** Peppercorn Lease for the unit located towards the end of Platform 1/2 at Bromley Station.
- 3) **Strategic Fit:** Bromley Station will not be impacted by the restructure project and will continue to run as BAU.
- 4) **Landlord:** London and South Eastern Railway Limited
- 5) **Agent:** Travel Point Trading
- 6) **Annual Rental (Exc. VAT):** One peppercorn
- 7) **Annual Revenue Implication:** No increase
- 8) **Start Date:** 11th June 2012
- 9) **End Date:** 10th October 2014
- 10) **Break Clause (if applicable):** N/A
- 11) **Additional Comments:** BTP already occupies the building.

Signed:

A handwritten signature in black ink, appearing to read "Leigh Stringer".

22nd October 2013

.....
Leigh Stringer – Head of Corporate Services

Date



Corporate Services Operations

BTPA Cover Note

- 1) **Property Name:** Shortlands Station
- 2) **Proposal:** Peppercorn Lease for the room on Platforms 3 and 4 at Shortlands Station.
- 3) **Strategic Fit:** Shortlands Station will not be impacted by the restructure project and will continue to run as BAU.
- 4) **Landlord:** London and South Eastern Railway Limited
- 5) **Agent:** Travel Point Trading
- 6) **Annual Rental (Exc. VAT):** One peppercorn
- 7) **Annual Revenue Implication:** No increase
- 8) **Start Date:** 11th June 2012
- 9) **End Date:** 10th October 2014
- 10) **Break Clause (if applicable):** N/A
- 11) **Additional Comments:** BTP already occupies the building.

Signed:

A handwritten signature in black ink, appearing to read "Leigh Stringer".

22nd October 2013

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Leigh Stringer – Head of Corporate Services

Date



Corporate Services Operations

BTPA Cover Note

- 1) **Property Name:** Lewisham Station
- 2) **Proposal:** Peppercorn Lease for the unit in the ticket hall at Lewisham Station.
- 3) **Strategic Fit:** Lewisham Station will not be impacted by the restructure project and will continue to run as BAU.
- 4) **Landlord:** London and South Eastern Railway Limited
- 5) **Agent:** Travel Point Trading
- 6) **Annual Rental (Exc. VAT):** One peppercorn
- 7) **Annual Revenue Implication:** No increase
- 8) **Start Date:** 1st January 2011
- 9) **End Date:** 10th October 2014
- 10) **Break Clause (if applicable):** N/A
- 11) **Additional Comments:** BTP already occupies the building.

Signed:

A handwritten signature in black ink, appearing to read 'Leigh Stringer', written over a dotted line.

22nd October 2013

Leigh Stringer – Head of Corporate Services

Date