

Report to: Police Authority
Agenda item: 5
Date: 22 March 2016
Subject: Chief Executive's Report
Sponsor: Chief Executive
For: Information

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

T: 020 7383 0259
F: 020 7383 2655

www.btpa.police.uk

1. Purpose of Paper

1.1 The purpose of this report is to summarise the work of the British Transport Police Authority Executive since the last British Transport Police Authority ("Authority") meeting on the 28 January 2016.

2. Ex-Gratia Payments Summary

2.1 There have been no submissions since the last meeting on the 28 January 2016.

3. Out of Committee Decisions

3.1 There have been no out of committee decisions since the last Authority meeting on the 28 January 2016.

4. Stakeholder engagement activity

4.1 Further meetings arranged:

- Paul Plummer - Rail Delivery Group - 11.4.16
- Steve Murphy - MTR Crossrail - 12.4.16
- Maggie Simpson - Rail Freight Group - 12.4.16
- David Horn - Virgin Trains East Coast - 11.4.16
- Alex Hynes - Northern Rail - 19.4.16
- Peter Strachan - Caledonian Sleeper - 5.5.16
- Phil Verster - Abellio Scotrail - 31.5.16

5. Governance

5.1 A presentation of the draft findings and recommendations from the Governance Review will be provided at item 11 on the agenda.

6. PSAs / Contracts

6.1 All wash up charges for 2014-15 and provisional charges for 2016-17 as approved at the 28 January 2016 Authority meeting have been issued to PSA holders. A number of PSA holders

have taken up the invitation to be briefed in details on how their PSA charge has been allocated. The Authority will be informed if necessary out of committee if a major issue arises.

- 6.2 The following PSAs have been signed:
- a. Arriva North Rail – New franchise holder
 - b. First Transpennine Express – New franchise holder

7. Pensions - Transferees

- 7.1 The Pensions Working Group met on 3 March, and approved a request from one Home Office officer to join the BTP 35 year pension scheme on transfer into the Force.
- 7.2 As from April 2016, the Government is introducing a new single-tier flat rate State pension and, as a result, contracting-out will cease from April 2016 for both current members of the Fund (joined before 1 April 2015) and current members of the Scheme. This means that both the Authority and in-service members will be required to pay the full rate of National Insurance (NI) contributions with effect from April 2016. It has been agreed that the additional employers contributions will be funded by the Authority and has been included in the MTFP for 16/17. The Authority will review this decision regularly and has until 1 April 2021 to enforce the statutory over-ride that is available to them. Letters have been sent to all members and the trustees to set out the impact of this change and the Authority decision.

8. Finance Review Report

- 8.1 The Audit and Risk Committee has been briefed on the development of the action plan from the original plan submitted to DfT into a more detailed “to do” plan and then into a reprioritised plan that focuses firstly on what needs to be resolved to support a clean year-end outcome.
- 8.2 Areas that are of particular focus in term of risk are:
- achieving a “clean” balance sheet reconciliations by year end.
 - resolving the current backlog with respect to registering and paying supplier invoices
 - the existence of aged accruals
 - recording of fixed asset items in the General Ledger Module and the verification of unusual descriptions
- 8.3 The Audit and Risk Committee has also been briefed on the process for receiving regular updates and for weekly review

meetings chaired by Andrew Pollins and including the Chief Executive. This regular and vigorous level of scrutiny and oversight has been continued.

- 8.4 The reporting slide pack is now being produced fortnightly to allow more time to focus on delivery, although weekly review and update meetings continue to be held. This report summarises action taken in the previous week, targets for the following week, issues encountered and potential issues that may impact progress in the future. Metrics have been included in order to more succinctly evidence progress being made. From these metrics, targets have been set to measure level of progress.
- 8.5 There has been good progress on Fixed Assets, Bank Reconciliations and Accounts Receivable such that these will be in a sound position for the year end. The highest risk area is Accounts Payable (AP), because of the sheer amount of work involved and the need to handle a number of staff departures. The AP team has now been resourced at significant levels to reflect the level of the risk involved, although there are a number of new people involved and we are continuing to monitor progress in this area very closely.
- 8.6 When a milestone is complete, evidence to support completion will be provided to the Head of Finance then reviewed by BTPA and Andrew Pollins. An evidence review session was held on Monday 29 February, and an oral update will be provided to the Audit and Risk Committee.
- 8.7 There is some contingency in March prior to the year-end to deal with problems arising and additional work that is identified along the way.
- 8.8 The Authority Finance Director continues to inform DfT of progress on a fortnightly basis. A review meeting involving the DfT Sponsor team and Finance rep, and the BTPA Chair, CEO and FD, was held on 22 February. DfT recognised the work done to date and the focus on year-end, and are content with the governance process and level of scrutiny involved. Their main challenge was about what the post-year-end plan and timeline looks like, and linked to this how they gain assurance that we won't slip back on control improvements.

9. Scotland

- 9.1 As Members will recall, the Scotland Bill was introduced in May 2015 containing two distinct set of provisions concerning the status of the BTP. The first of these seek to provide the Scottish Parliament's with the ability to legislate in matters of railways policing. They effectively deal with the issue of legislative competence by introducing an exception clause to the reserved matter that is "Rail transport security" as contained in the Scotland Act 1998. The second set of provisions relate to our new status as a 'cross-border authority'. The Bill proposes to designate the British Transport Police Authority (BTPA) as a cross-border authority, as well as the Chief Constable, Deputy Chief Constable and the Assistant Chief Constables. The BTPA is still awaiting legal advice from DfT on the legal effect of this new status.
- 9.2 The Lords have paid considerable attention to these clauses at Committee stage. Amendments moved by Lord Empey and Lord Faulkner of Worcester on 19 January and 24 February generated lively debates about the impact of devolution of BTP functions, although both motions ultimately fell. The Scotland Bill will get a third reading at the Lords on 21 March 2016.

10. Contracts

10.1 **The Chief Executive signed the following contracts:**

- BTP Bath - Renewal of Lease - Annual Rental £600 pa excluding VAT - 11.2.16
- BTP Birmingham Central - Renewal of Lease - Annual Rental (Excluding £7,600 excluding VAT rent charged pa - 11.2.16
- MOU - Agreement Mutual Aid of Police Service of Northern Ireland re Boxing Match 27.2.17 @ Manchester Arena between Carl Frampton and Scott Quigg - 15.2.16
- Birmingham Axis - FCC/FCRB - License for alterations to building engineering services modifications to south & west wings - 29.2.15
- License for Alterations to building - Birmingham Axis - 29.2.16 x 2

10.2 The Chief Executive signed and sealed the following contracts:

- Core PSA – Arriva Northern Rail x 2 – 10.3.16
- Core PSA – First Transpennine x 2 – 10.3.16

10.3 The Finance Director signed the following contract:

- Contract Notice 2015/S 011-015068 – BTP Command and Control System – The initial sum is capped at £300K exclusive of VAT – pending contract authorisation – 22.12.15

11. Recommendations

11.1 Members are asked to note this report.