

Minutes (Part I)

Police Authority

Wednesday 28 September 2016, 9.30 am
at BTP Force HQ, 25 Camden Road, London NW1 9LN

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Present:

Rt Hon. Esther McVey, Chairman
Dominic Booth
Dyan Crowther
Liz France CBE
Len Jackson OBE
Bill Matthews
Mark Phillips
Andrew Pollins
Stella Thomas
Anton Valk CBE

In attendance:

Paul Crowther OBE, Chief Constable
Adrian Hanstock, Deputy Chief Constable
Robin Smith, Assistant Chief Constable
Simon Downey OBE, Director of Capability and Resources
Alistair Cook, Temporary Finance Director, BTP

Andrew Figgures CB CBE, Chief Executive
Sam Elvy, Head of Strategy and Performance
Lucy Yasin, Authority Business Manager
Charlotte Vitty, Authority Finance Director and Deputy Chief Executive
Harriet Andrews, Audit and Risk Manager & Deputy Treasurer
Iggi Falcon, Senior Policy Officer & Minutes

Dan Moore, Department for Transport (DfT)

Also in attendance:

Andy Odell, Rail Delivery Group (RDG)

Standing Items

61/2016 Welcome and Apologies

Non-Agenda

1. The Chairman welcomed all Members to the fifth meeting of the year as well as Dan Moore, from the Department for Transport's (DfT) Sponsoring Team and Andy Odell from the Rail Delivery Group (RDG).

62/2016 Minutes of meeting 28 September 2016 Part I

Agenda Item 2

2. The minutes were agreed as an accurate record.

63/2016 Matters arising/actions outstanding

Agenda Item 3

3. **Scottish Devolution - Legal Advice** - Finance Committee felt legal clarity was required over potential challenges to the use of Police Fund monies to support the Scottish Devolution plans, and the Authority would be seeking legal advice.
4. The Senior Project Manager had started on 31 October and was now progressing in the role, collating information and engaging effectively with the Scottish Government.
5. **Governance Culture** - Liz France commented that the invitation was open to others to view the workings of the Kent governance model.
6. **Member recruitment** - Dan Moore (DfT) confirmed that the appointment of new Members would be confirmed in the coming weeks subject to the completion of the vetting process.

Strategic Items

64/2016 Chief Constable's Report

Agenda Item 4

7. Members considered a report of the Chief Constable covering key strategic risks for the Force and the Authority.
8. The Chief Constable provided a full update to Members on the BTP's response to the tram derailment which took place on 9 November in Croydon. The Chief gave operational details surrounding the incident which caused the death of 7 people and resulted in many injured. He highlighted the excellent work that took place alongside other emergency services partners and spoke of the good engagement which he had established with the Mayor's office, TfL, elected representatives for the area and the media, in an effort to reassure the public. The Chair, on behalf of all Members of

the Board, thanked the Chief Constables and all of BTP officers involved in the incident for their response.

9. The Chief Constable also provided Members with details of counter-terrorism activity in response to an incident on the London Underground on 20 October 2016. Again, the Chief highlighted the close coordination with the MPS, TfL and London Underground which led to the arrest of a suspect within 24 hours of the incident.
10. A Member commented that the Authority would wish to assure itself that the Chief Constable had been provided with all the necessary resources to do the job properly. The Chief responded that the experience confirmed that London was well equipped, but that work was needed to confirm if other areas were as well prepared to deal with incidents of this kind as the capital.
11. The Chief's report included an update on a variety of issues, including Taser deployment in Scotland, the ongoing Crime Review, Scottish Devolution, Infrastructure Policing Review and the Inquiry into Safety and Security on the Railways. The report also made reference to the report published by Lord Harris of Haringey, entitled 'London's Preparedness to respond to a Major Terrorist Incident', which included a recommendation to consider the merger of all Police capability in London - i.e. the MPS, the BTP, and City of London Police. Following a brief discussion, Members agreed that it would be appropriate to issue a short letter to the Mayor of London, explaining the BTPA's position in respect of that recommendation.
12. Reference was made to the launch of the 'See it, Say it, Sorted' poster campaign by the DfT in conjunction with Network Rail and BTP, and the public criticism which one specific image had drawn and which had led to the poster being removed. A Member expressed disappointment with the Force's (and indeed the two other organisations') inability to recognise and anticipate how the image could be misinterpreted. Members were convinced of the BTP's strong commitment to combat all forms of prejudice, which made it all the more frustrating that such good work could be undermined by a poor choice of imagery. A question was asked whether the Independent Advisory Group (IAG) had been consulted as they would have been able to provide helpful feedback on this occasion. The Chief Constable fully agreed that the image used in the poster was ill advised and confirmed the posters had been removed by the DfT following an assessment of public response. His understanding is that the campaign had been consulted extensively, including the use of Focus Groups although not the IAG specifically.
13. The report was noted.

65/2016 Governance Review Implementation Plan

Agenda Item 5

14. The Authority Business Manager gave a presentation on the Governance Review Implementation Plan which was developed by the Working Party (GRWG) to ensure the full implementation of the recommendations by 2017/18. The Plan takes account of the outputs from the away day on 23 May.
15. The Business Manager provided an overview the activity of the GRWG since its establishment, and the approach that the GRWG has taken in addressing the Review. She also outlined the key messages emerging from each section of the roadmap - some of these formed the basis of the recommendations for approval and some were smaller administrative changes working towards a change in culture. Members endorsed the recommendations in the Implementation Plan as set out at Annex B, and suggested that a RAG status be added to ensure a more effective monitoring of delivery.
16. The report was noted.
17. **Agreed:-**
 - 17.1. **The recommendations of the GRWG included in the Implementation Plan attached as Annex B were approved;**
 - 17.2. **A RAG status to be added to the Plan to ensure more effective monitoring of delivery.**

66/2016 Airwave Replacement Project

Agenda Item 6

18. The Chief Executive provided an update to the Authority concerning the progress of the Airwave Replacement Project. He explained that he and the Chief Constable had recently met Stephen Webb, Senior Responsible Officer and Gordon Shipley, Programme Manager at the Home Office. At that meeting, it was clarified that the largest element of spending - that is, the transition - would fall in FY2018/19, but there would be some requirement for precursor work in FY2017/18. This would be for the Integrated Command & Control System upgrade which was estimated to be about £680k capital / £270k revenue, and an additional element which would bring the total to £1M, concerning the Direct Network Service Provision. This is the linkage between the internal ESMCP system in the BTP and the external network. At a previous discussion with the Home Office, it had been suggested that the

Core Transition would be from 31 December 2017 till the end of 2018, and that this was dependent upon London Underground (LU) and Crossrail upgrades being completed by 31 December 2017. Mr Webb and Mr Shipley have since advised that the trial for the commercial system for the LU and Crossrail, which should have begun by now, had not started and indeed it was unlikely to start in the short term because there had been a failure to agree on Asset Ownership, Access and Possession, Liability and Safety. The consequence of this was that there was currently no plan to provide coverage other than Airwave on the LU. The three options to address that, which have previously been shared with Members, were:-

- 18.1.1. To procure dual-mode devices at an additional cost of approximately £300 per device which takes them from around £650 to just under £1,000 per unit - a significant impact on transition cost.
 - 18.1.2. The second option is that the Home Office pays for ESMCP coverage, though the Department has not confirmed that it has the funding for this and they cannot confirm that they know the timeframe for making that sort of spend. Logic would have it that if one is unable to work out those factors for a trial run; one would be unlikely to work out those factors for a major implementation programme. So the option didn't seem feasible.
 - 18.1.3. The third option would be for EE and TfL to reach a commercial arrangement, but funding has not been identified for such a solution, so this option also does not seem feasible.
19. In conclusion, it did not look like the coverage for LU and Crossrail would be in place in time, and that was the reason for a later implementation date.
 20. The other significant date was the planned switch-off date of December 2019 for Airwave. It was possible to extend beyond that date, but at a cost. The Home Office's suggestion was that they would charge those Police Forces that were not going to transition due to the underground coverage not being available, and therefore it was highly likely that part of that extended coverage cost would come back to the BTP.
 21. When the BTPA sets the budget and MTFP, it will therefore be important to think of the major cost in 2018/19, but also of need to make provision for the precursor work. There was a need to provide a small project team to do the necessary planning and take the Force in the right direction. There was an argument for pushing the costs of the precursor work into a later date in time, but there is a fine balance to be struck between risk and opportunity. If the BTPA decided to push back the costs, then it may be likely that the

Force will lose the opportunity to trial the system and be assured that it worked adequately. The possibility of technical issues was high, so a longer pilot would be preferable and there would be benefit from being able to spread the transition work over a longer period.

22. A point made to the Home Office was that the BTPA/BTP could not currently see how in the 10-year scenario a business case could be demonstrated. The Home Office advised that the business case period was closer to 15 years, because the cost of transition to ESCMP was very high, and that once in steady state a reduction in operation of the new system was expected but this did not appear to be sufficient to net off the transitional costs any earlier.
23. An alternative would be to have a partial service, one that consisted of a digitally enabled radio net, that is, an Airwave substitute without access the data services. That might save between £1M and £3M per annum, but it was important to consider if this created an obstacle to the development of digital policing.
24. Members were clear that, above all, they wished to have an understanding of transition costs, and be able to assess any case to build in the up-front non-recurring cost sooner rather than later. The preparation of the MTFP would take this into account.
25. Dan Moore asked the Authority to inform the Department if the BTP faced additional costs to extend Airwave beyond 2019, as a result of project delays that were out of its control.
26. A Member sought greater detail on the make-up of the Airwave Replacement Project team, and it was clarified that this currently consisted of three individuals focused on the delivery of capability working towards a and timeline bearing in mind the shifting financial context. The team was also focusing on data collation and asset quantification in order to support discussions with the Home Office. Andrew Pollins offered to facilitate any discussion regarding potential greater collaboration between that Team and TfL on this project.
27. The report was noted.
28. **Agreed:-**
 - 28.1. **A further update to be provided in December, to support a decision to build in any precursor work costs in future budgets.**

67/2016 Devolution and BTP
Agenda Item 7

29. The Deputy Chief Constable gave a presentation about the BTP's response to a series of reviews of national structures and accountability arrangements, and how these reviews presented both risks and opportunities to the Force. The DCC referred to the reviews into Infrastructure Policing, London's Counterterrorism preparedness, Rail Security, etc. as examples of initiatives that could well shape the future of the Force.
30. The DCC explained the motivation behind some of these initiatives and described the common themes which appeared to be emerging, including the benefits of change. He also summarised what in his assessment were the main risks and threats attached to these developments, including the very existence of the BTP. Importantly, however, the DCC outlined what in his view were opportunities for the organisation, including:-
- Promoting the BTP's Strategic Narrative
 - Assessing the current stakeholder engagement strategy:
 - Considering the adoption of a more aggressive diversification and growth strategy.
 - Improving horizon scanning processes
 - Developing an effective strategy to integrate into devolved UK structures
31. Members felt the presentation was extremely useful and timely, and they were keen to ensure that the opportunities identified by the Deputy Chief Constables were captured as an Action Plan, with clear responsibilities, risks and mitigating activity.
- 32. Agreed:-**
- 32.1. **The DCC to produce an Action Plan setting out the activities to mitigate risks and seize on opportunities arising from ongoing reviews.**

68/2016 DfT Efficiency Challenge

Agenda Item 8

33. Members received a report providing details of the contents of the presentation given to the DfT Efficiency Challenge Panel on 25 October 2016. The Authority received and noted the ten slides used in the presentation

34. The feedback from the Director, Rail Strategy and Security that the Chair, Jonathan Moore, DG Corporate Resources had summed up that the panel was convinced about the level of commitment, the fact there was a plan and by the governance.
35. The Director asked for an annual report back from the Authority, and the suggestion is that this is complemented by more informal quarterly reports to the Sponsoring Team to demonstrate that the Authority is itself driving forward the agenda. Members endorsed this suggestion.
36. A Member sought further clarity from the Director of Capability and Resources on what the Efficiency work will achieve in the context of Transformation activity. The concern was that Members needed to see to see the clear link between Efficiency and Transformation and how this shaped the new Operation Model. It was suggested that this could be done through a 'living example', e.g. how ISP or Niche, etc. are bringing about change to the organisation.
37. The report was received.
- 38. Agreed:-**
- 38.1. **The Force to demonstrate link between Efficiency and Transformation into the new Operation Model, with 'living example', for example, how ISP, Niche, etc. are bringing about change.DCC to produce an Action Plan setting out the activities to mitigate risks and seize on opportunities arising from ongoing reviews.**

69/2016 Medium Term Financial Plan (Budget FY2017/18)

Agenda Item 9

39. The Chairman of the Finance Committee introduced a report which, set out the proposed budget for FY2017/18. He provided the context in which the budget had been prepared, and which gave account to the substantial pressures on the Force's finances, including the Counter-Terrorism spend which had previously been identified – and which translated into a proposed 3.8% increase, doubling the BTPA's price-promise to stick to RPI. The Committee Chairman' understanding was that reserves were not available to mitigate the increase.
40. The Committee Chairman reminded Members that this proposal followed year-on-year 'inflation-busting' increases over the life of 2013-2019 Strategy. In his assessment, the real issue was that this latest increase would come in the mid-life of many franchises and this had a significant impact on PSA-holders. He felt it would be a

particularly tough message to deliver to Industry, as the Force's performance was dipping in some areas and a recruitment freeze was adding to the feeling that there were fewer officers out there. He explained that a critical meeting with Industry was scheduled for 21 November, and he advised that Members would benefit from having a greater understanding of what the year-on-year increases have translated into before communicating any proposed increase to industry. He nonetheless felt that the option was available to Members to stick to the RPI and to absorb the CT additionality from the budget envelope.

41. The Force's Finance Director provided additional detail to the contents of the report, and described some of the options for Members to in terms of addressing the shortfall, e.g. the work of revalorising Policing Staff and the London weighting, whilst describing the potential drawbacks of not carrying out that work.
42. The Chief Constable also spoke to add context to the proposal, drawing attention to the fact that a series of past budgetary decisions by the Authority, including the decision not to fund the needed Counter-terrorism spend last year, had led to the present position. He also challenged the notion that BTP had enjoyed a consistent string of inflation-busting increases over the years – the Committee Chairman later specified that this would certainly be what Industry experienced in 2015/16 and 2016/17.
43. The Secretary of the RDG, who was present, was invited to address the Members and share some of the feedback by PSA-holders, which he summarised as follows:-
 - 43.1. Industry is aware of the Force's challenging position and they can accept bad news about an increase; however, PSA holders were unhappy with the 'lurching and jumping' situation created by a 0% baseline budget followed by a large increase the next year.
 - 43.2. Volatility in the model meant there were winners and losers among TOCs and this will create a mixed reaction to a proposed increase. It is clear that PSA-holders attach a great deal of importance to headcount and the Authority should be very mindful of that in its deliberations.
44. Members were clear that there was a presentational issue in how the budget decision is communicated to Industry, and considered the benefits of having greater on context on how PSA contributions supports BTP activity, and what options there are to maintain a level of performance which the Industry can expect. There were two further requests in relation of the links between Policing Plan targets and funding, which would support further engagement with

Industry, and on the sequence with which the decision on Actual Charges, the MTFP, and the BTP's Performance against Policing Plan targets would be communicated.

45. The report was received.

46. **Agreed:-**

46.1. The Authority to receive original budget, outturn and percentage increases for years 2015/16, 2016/17 and 2017/18.

46.2. The Authority to receive an overview of the feedback from the Policing Plan meeting of 21 November 2016, where there is to be a high level discussion without discussing potential budgetary increase.

46.3. The Authority to consider a range of expenditure options, with clear cash impact, that can be prioritised and signed off at the December meeting (preceded by a Special Meeting, if necessary).

46.4. The Authority to receive a description of how budgeting is linked to next year's Policing Plan targets, and the service offer that Industry can expect based on existing assumptions about the railways policing environment.

46.5. The Authority to consider and agree a communications plan detailing how and when Industry will be informed of Actual Charges, the MTFP, and the BTP's Performance against Policing Plan targets.

Items for noting

70/2016 Finance Committee

Agenda Item 10

47. The Chairman of the Finance Committee introduced a report setting out the work carried out by his committee on 21 October 2016. The report recommended Members to approve the Actual PSA charges 2015/16, set out in detail at Item 10.1.

48. The Committee Chairman provided an overview of the work of his Committee, including the engagement with the Audit Committee concerning the review of the Charging Model. The Committee had also followed up the progress with SWT's dispute - and it was noted that Richard Carter from DfT had facilitated a discussion with SWT, giving the Authority an opportunity to explain charges and rationale behind what was being disputed. The intention was to narrow down the issues in dispute in an attempt to move the

matter forward. References were also made of the Finance Action Plan, and issues with the Capita project.

49. The Chief Constable reiterated his concern that decisions made in previous years could have consequences for future financial planning. The Chair was sympathetic to the need avoid surprises in the future. The Force's Finance Director added that it was the Force's intention to build an adequate MTFP once a budget decision was taken.
50. Members considered the Actual Charges as presented to Appendix Item 10.1 and these were approved.
51. The report was noted.
52. **Agreed:-**
 - 52.1. **The Authority endorsed and approved the charges set out in Item 10.1, in order that the PSA holders with significant increases can be informed to assist with their budget planning.**

71/2016 Performance Review Committee

Agenda Item 11

53. The Chairman of the Performance Review Committee introduced a report providing an overview of the main business done at the Quarter 2 meeting of her Committee. In setting the context of the discussion, she explained that Members recognised the change in environment, and the need for a more sophisticated approach to target setting, and that the Committee was also looking ahead at new Policing Plan process.
54. A Member expressed concern about adopting a blanket assumption that all poor performance was down to a change in environment; the Committee Chairman assured the Authority that no such blanket assumption was made, and in fact the Committee had analysed the context of activity and extensive performance data to reach those conclusions.
55. Members expressed a wish to see greater details of the Force's activity to combat Cyber Crime. The Committee Chairman explained that the Committee had recently received a very useful presentation which described how the Force plans to resource this and it was agreed that this would be brought to the Authority in the future.
56. The report was noted.

57. Agreed:-

57.1. A presentation to be given to the Authority on Cyber Crime capability at a future meeting.

72/2016 Policing Plan Update

Agenda Item 12

58. The Authority received a report summarising key matters arising from the first Policing Plan Group (PPG) meeting of the 2017/18 planning cycle.
59. In introducing the report, the Chairman of the Policing Plan Group set the context for the next year's Policing Plan process. She made reference to clear intention to engage fully with industry to set next year's priorities and longer term planning. It was also important to plan for a dialogue which would include questions regarding the Force's financial management and performance.
60. The Group's Chairman invited the Deputy Chief Constable to give a presentation to Members of the Force's ambition to develop a greater focus on threat, risk and harm and how this linked with proposals for the 2017/18 plan. The Deputy also set out high level proposals for service delivery assurance and performance improvement, and a suite of indicators to assist monitoring. The change in approach would also be supported by the development of a narrative.
61. The proposals were well received by Members, who were informed that this had now been tested at the Midlands Policing Plan meeting, also with encouraging feedback. The sense gathered was that whilst 20-20-10 had provided a good direction over the years, the objectives had now run their course and the time was right for a transition. There was continued support among Industry for retaining the National/Local priorities split.
62. The report was noted.

73/2016 People and Standards Committee

Agenda Item 13

63. The Chairman of the People and Standards Committee introduced a report summarising the key developments at the most recent meeting of the Committee on 19 October 2016. Business at the meeting included the review of the Quarterly report on PSD Activity, the People and Health and Safety regular update and a review of Occupational Health arrangements at the BTP.

64. The Committee Chairman was pleased to highlight that in recent statistics, BTP officers were shown to have some of the country's lowest number of allegations per 1,000 officers, which was credit to the strong drive by the Senior Team and the Professional Standards Departments in terms of leadership and professionalism. He offered as a suggestion that a similar "per 1,000 employees' metrics could be useful for target setting in the future.
65. The report was noted.

74/2016 Joint Risk Register

Agenda Item 14

66. The Authority received the Joint Risk Register, for information.

75/2016 Chief Executive's Report

Agenda Item 15

67. The Authority received a report outlining the work of the Authority Executive Team since the last meeting. The report included an update on Stakeholder Activity, Out of Committee decisions (including the Pay Awards) and Contracts signed. In particular, the report highlighted new duties on the Authority to comply with Welsh Language requirements.
68. The report was noted.

The meeting finished at 14.00

Date of next meeting:

8 December 2016

G1 & G2, FHQ, 25 Camden Road, London NW1 9LN