

Minutes

Police Authority

Thursday 8 December 2016, 10 am
at BTP Force HQ, 25 Camden Road, London NW1 9LN

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

T: 020 7383 0259
F: 020 7383 2655
E: general.enquiries
@btpa.police.uk

www.btpa.police.uk

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, Interim Finance Director, BTP
Harriet Andrews, Deputy Director & Financial Controller , BTP

Andrew Figgures CB CBE, Chief Executive
Charlotte Vitty, Deputy Chief Executive
Shahida Nasim, Interim Finance Director
Sam Elvy, Head of Strategy and Performance
Lucy Yasin, Authority Business Manager
Leigh Bura, Scotland Project Manager
Anthony Walker, Communications Manager
Iggi Falcon, Senior Policy Officer & Minutes

Dan Moore, Department for Transport (DfT)

Also in attendance:

Andy Odell, Rail Delivery Group (RDG)

Standing Items

76/2016 Welcome and Apologies

Non-Agenda

1. The Chairman welcomed all attendees to the last meeting of the calendar year.

77/2016 Minutes of meeting 10 November 2016

Agenda Item 2

2. The minutes were agreed as an accurate record.

78/2016 Matters arising/actions outstanding

Agenda Item 3

3. **Scottish Devolution - Legal Advice** - The BTPA had sought independent legal advice on the potential challenge from England and Wales operators regarding the use of Police Fund monies to support the Scottish Government plans. The advice received from Weightman's would be circulated to Members at the appropriate time to allow them to assess risks (ACTION).
4. **MTFP**- The Authority had requested to see the original budget, outturn and percentage increases for years 2015/16, 2016/17 and 2017/18. This information was now attached at item 3.1 and the Deputy Chief Executive introduced it. She confirmed that the data demonstrated the BTP's funding had not exceeded RPI over the period. The Chairman of the Finance Committee felt this was a useful piece of work and a good platform to start discussions with PSA holders.

Strategic Items

79/2016 Chief Constable's Report

Agenda Item 4

5. Members considered a report of the Chief Constable covering key strategic risks for the Force and the Authority.

Counter Terrorism

6. The report provided key highlights from BTP's recent Counter Terrorism activity. Funding was a key discussion point, with the Chief Constable explaining that he was seeking to develop a case for the BTP receiving a share of the Capital City funding which the Metropolitan and City of London Police currently obtain for policing the London area. There was also a risk identified relating to the funding for the Northern Hub, and the suggestion was that the CT

entries in the Risk Register should include more detail about this specific issue. Following a discussion with Members, the Chief Constable suggested that he could bring back a 'deep-dive' report into Counter Terrorism capability at the next meeting in January. This was endorsed (ACTION).

7. ACC Thomas gave a summary of early feedback received on HMIC's CT inspection, where comments had been generally very positive, with HMIC praising the Force's mature plans on Test & Exercise. HMIC was expected to publish the thematic report in the new year.

Scotland

8. The BTP and BTPA had hosted a workshop to discuss key operational challenges in the devolution process. Police Scotland, Scottish Government, Scottish Police Authority and rail industry representatives were in attendance. All participants felt the workshop had been useful and agreed to hold a follow-up in the new year.
9. Members were clear that the BTP should plan ahead on the basis that the integration would happen and that work was needed to protect the post-devolution England and Wales BTP.

Infrastructure Policing Review

10. Permanent Secretaries of the various departments in scope had met in November to finalise the advice going to the Prime Ministers. No decisions had yet been made. A Member suggested that the Authority should write to the Permanent Secretaries (as a follow-up to the letter in September) and request an update.

[Afternote: a letter from the Home Office was received on 19 December confirming that the matter was no longer in the hands of Permanent Secretaries and had now been sent to the Prime Minister for a decision]

London Resilience Forum

11. Lord (Toby) Harris had addressed London stakeholders following the publication of his report entitled '*London's preparedness to respond to a major terrorist incident*'. Though the report had included a recommendation concerning the merged capability of all London forces, be little ambition to drive that through at the moment.

Croydon Tram Accident

12. The Chief Constable provided Members with an update on the latest of the Croydon Tram Accident investigation. The investigation was progressing well, and an interim report was expected soon. The technical investigation would follow, and discussions were still ongoing as to how that would be funded.

HMIC's report on Police Legitimacy

13. The Deputy Chief Constable referred to the HMIC report published earlier that day, which highlighted that Forces needed to do more to address sexual exploitation of victims. He had requested more information about the BTP's exposure and initial response had suggested that this was not a major issue at the Force. He was, nonetheless, minded to ask one of the newly-set up Ethics Panels to consider the recommendations further and any remedial action required as a result.
14. The report was noted.

15. **Agreed:-**

- 15.1. **To provide a 'deep-dive' report to Members on CT issues in January 2017, covering funding issues and opportunities including access to Capital City grant, and risks relating to Northern Hub.**
- 15.2. **DCC Hanstock to ask the newly-set up Ethics Board to consider HMIC's recommendations in relation of Sexual Exploitation cases in the national police service and what actions the BTP may need to consider.**

80/2016 Efficiency Programme

Agenda Item 5

Governance

16. The Authority considered a report setting out proposed arrangements for demonstrating that the Authority is driving forward the Efficiency agenda.
17. In introducing the report, the Interim Authority Finance Director drew attention to the Board arrangements set out in the paper. She drew particular attention to the proposed layers of assurance that would assist the Board track efficiencies. In addition to routine management activity of oversight, it was suggested that subject matter experts, Internal Audit, External Reviewers could all be brought to support the Board. She commended the recommendations to the Authority.

Portfolio Programme

18. The Authority received a presentation from the Director of Capability and Resources setting out the focus on embedding change which would take place after Transformation is delivered in Q1-2017. The objective was that a future BTP portfolio would deliver:-
- The embedding of transformation changes to date
 - The adoption of Threat, Risk and Harm performance model
 - The exploiting of benefits of a single TP command
 - Efficiencies Programme (8% by 2019/20)
 - Mandatory IT upgrades
19. The presentation gave the Authority a sense of how a Target Operating Model had been built and how the strategy of the Force would be driven in terms business processes, people and IT. The presentation also described how the Force was proposing to manage benefits realisation better; identifying these more clearly, setting baselines and monitor progress against targets.
20. Members welcomed the presentation and offered comments as follows:-
- 20.1. It was important to 'wrap up' the Transformation Programme once this reached a conclusion, and demonstrate a clear transition to Business as Usual. The metaphor of 'needing to stop spinning plates' was used to describe the need of cementing changed processes.
- 20.2. There was a risk of people suffering 'change fatigue' and it was therefore important to promote new behaviours through communication and engagement, as well as to measure cultural change in the long term.
- 20.3. In terms of the workforce survey, the Force would consult the People and Standards Committee in its commissioning (ACTION).
- 20.4. There was an outstanding action concerning the review of the impact of ISP Niche implementation and it was proposed that a working group be set up to consider this. It was also suggested that the group should include some of the new Members who would join the Authority in 2017 to ensure 'fresh pairs of eyes' over the issue.
21. The report was received.
22. **Agreed:-**

- 22.1. **The Authority endorsed and approved the arrangements to be established for monitoring and reporting against the Efficiency Plan.**
- 22.2. **To create a Standing Item on the Agenda to update Members on the Efficiency Challenge**
- 22.3. **To set up a working group, which includes new Members starting in January, to review the impact of the introduction of ISP Niche.**
- 22.4. **Authority Executive to write a formal paper recording the decision around the funding recovery for the portfolio plan, including the future mapped our charging implications**

81/2016 Scottish Devolution

Agenda Item 6

23. Leigh Bura, the Authority's Scottish Project Manager, gave a presentation setting out the latest position on the Scottish Government's plans to integrate the D Division into Police Scotland, and how the BTPA and BTP were providing support to the programme.
24. In setting the context, the Project Manager reminded Members that the Scottish Government's consultation had taken place over the summer and the responses were due to be published in the coming days. A Bill was also expected to be introduced to the Scottish Parliament imminently.
25. The Programme overseeing the integration was at a crucial stage, and was currently seeking information from the various workstreams projects that would ultimately inform the Secondary Legislation that would go through the UK Parliament. The DfT representative had explained that the process had proven more complex than originally anticipated and this had had an impact on Project set-up.
26. Members were clear that the Force should now be working on the assumption that the integration would happen. That meant that medium-term and long-term planning must now factor in this important change. It was also important to consider the post-devolution position and how best to protect the England & Wales BTP operations.
27. The presentation was received.

82/2016 Overground Revenue Budget and Funding Options 2017/18

Agenda Item 7

28. The Chairman of the Finance Committee introduced a report setting out the proposed budget for FY2017/18. The report followed on from the discussions at the November Authority meeting, where it had been agreed that Members would consider a range of funding options for the coming financial year.
29. The Finance Committee had met on 25 November to discuss the options before Members today and the Committee Chairman commented that those discussions had benefitted from the information provided under Matters Arising, particularly the evidence that the PSA-charges had indeed remained below RPI for the duration of the 20-20-10 Strategy.
30. It was noted that it had not been possible to present an MTFP at this time and the Committee Chairman commented that there were key considerations to factor in over the coming months, including the impact of Scottish devolution and Airwave replacement.
31. The Interim Finance Director drew attention to the review of the capitalisation policy which followed the asset write-off exercise and which was set out in paragraph 3 of the report. The proposed changes sought to bring the policy in line with proper accounting practices.
32. The Chief Constable commented that he felt the confirmation relating to the BTP's price promise had been helpful. He remained keen to ensure that a proper record is kept of financial decisions that could impact in future years, and he made reference to the decision over CT funding in the previous financial year. He felt that a similar situation could arise in relation to the £1.2M draw-down on reserves, although the Authority Finance Director observed that it was difficult to anticipate what impact this would have until the MTFP had been prepared.
33. The Committee Chairman confirmed that the Finance Committee was now recommending Members to agree Option 4 which proposed that the unfunded CT expenditure of £1.8m in 2016/17 is recovered in 2017/18. The 2016/17 budget would be rebased to incorporate CT investment then an RPI increase of 1.9% is applied to deliver a charge of £216.4m, plus wash up charge of £2.83m for 2015/16. There is a cash inflow benefit of £1.8m arising in 2016/17 with a required draw down on cash in 2017/18 of £1.12m. This option was agreed to fund the £223.6m overground budgetary requirement as detailed at Item 7.1 of the agenda.
34. The report was received.
35. **Agreed:-**

- 35.1. **The Authority approved the £223.6m overground budgetary requirement as detailed at Item 7.1 of the agenda.**
- 35.2. **The Authority endorsed Option 4 (as set out in Item 7) as the preferred method for the funding the 2017/18 budget.**

83/2016 Police Staff Pension Strategy

Agenda Item 8

36. The Authority Chief Executive introduced a report which proposed an alternative future pension provision for new police staff to BTP. The proposal was based on the Career Average Revalued Earnings (CARE) arrangement which provides benefits calculated on retirement, or earlier leaving, that are based on the member's average career earnings.
37. In developing a future pension strategy for police staff, the Pensions Working Group considered the profile of employees within the police staff category. BTP has carried out some benchmarking work in relation to what other peer organisations are offering in terms of salary and pension. For current members of the Staff Scheme, the Working Group is proposing to leave this unchanged so that they will continue to accrue benefits on the existing benefit structure. This approach is consistent with that offered to Police Officers who were members prior to the introduction of the new CARE benefit structure.
38. The Chief Constable commented that he wished to see staff pension changes to go alongside a project for salary revalorisation, which had been a long-standing objective of the organisation but never accomplished. This would deliver in his view a better skilled, better structured civilian personnel, and would also demonstrate to TSSA that there was a strong will to address an issue which they have been raising for a long time. Members endorsed this suggestion and proposed that the individuals with the specific knowledge are involved in the forthcoming consultation process to ensure a joined-up approach.
39. On a separate point, it was requested that the information on the table on page 2 should be reviewed for accuracy, especially concerning the Civil Service pensions details.
40. The report was received.
41. **Agreed:-**
 - 41.1. **The proposed design of the future pension provision for police staff, as set out in the report, was agreed in principle**

subject to agreement of the finer details of the design in due course.

- 41.2. The Pension Working Group to carry out further work with regard to the design of this proposal and present back to the Authority a detailed design including costs and contribution rates once this is available.
- 41.3. The Authority Executive to ensure that Staff Pension Working Group has BTP representatives who are involved in the Staff Revalorisation project, to ensure alignment of objectives.
- 41.4. The Authority Executive to double-check Civil Service pension arrangements in the comparison table as this featured inaccurate pension age.

84/2016 Joint Risk Register

Agenda Item 9

- 42. The Authority considered and reviewed the updated Joint Risk Register. It was noted that as a result of the earlier discussion, there would be a revision to incorporate the risks concerning the Northern CT Hub. It was also noted that financial quantifications and relevant dates would be added to the risk entries.
- 43. With reference to the risk entitled **'Non-payment of PSA charges by PSA-holders'**, Members received an update on the dispute with one PSA-holder in particular who was withholding payment. It was noted that the DfT was currently seeking to arbitrate on the issue and that the hope was that this would avoid taking the matter further. Members requested the Authority Executive to present a plan on the proposed recovery of monies from the PSA-holder in question (ACTION).
- 44. There was a general sense among members that the risk entitled **'Failure to deliver effective transformation'** was perhaps too broad in its wording. It was suggested that this should be broken down in more specific items, to give a clear reading of whether the risk was being grappled with or not. Similarly, the risk entitled **'Implementation of Emergency Services Mobile Communications Technology'** also failed to clarify where the risks fell.
- 45. As a general comment, Members were keen to see that greater focus was given to improving residual risks. If residual risks remain *red* despite the identified mitigating action then that would indicate that the mitigating action is not proving effective.
- 46. The report was received.

47. **Agreed:-**

- 47.1. **The Risk Register to include financial quantifications and relevant dates.**
- 47.2. **Chief Executive to present Members with options /plan on how outstanding PSA charges will be recovered**

Items for noting

85/2016 Finance Committee

Agenda Item 10

- 48. The Chairman of the Finance Committee introduced a report setting out the work carried out by his committee on 25 November 2016. Key points highlighted included the BTPA Budget, which was to come in January before the Committee, following a request for further work. Also covered was the Financial Action Plan, which in his view demonstrated that the Force's Management Accounting was improving steadily.
- 49. The report was noted.

86/2016 Policing Plan Update

Agenda Item 11

- 50. The Authority received a report summarising key matters arising from the first Policing Plan Group (PPG) meeting of the 2017/18 planning cycle. The meeting had taken place on 2 December 2016.
- 51. In introducing the report, the Chairman of the Group commented that stakeholders had been receptive to the proposal to give greater focus on threat, risk and harm and move away from numeric targets. Stakeholders had however expressed some concern about the availability and accessibility of performance data and the BTP was to report back on this issue.
- 52. Members were now being asked to agree that the Authority formally signals a move away from the 20:20:10 metrics for the 2017/18 plans via the next stage of consultation. This was endorsed. The next steps were described as follows:-
 - 52.1. Develop a narrative to be included in the forthcoming consultation on the move away from the '20:20:10 metrics' in the 2017/18 plans. This signals the transition to a new strategy to be published in 2018/19
 - 52.2. Consult on a pack on national and local plans currently being developed by BTP. Owing to the fundamental change in approach this year, and allow preparation time for supporting information, the timescales for the

consultation will be pushed back by two weeks to run between 16 January and 10 February

- 52.3. Consider the consultation feedback received at the next meeting of the Group in February and make final recommendations to the Authority at its meeting on 28 March
53. The report was noted.
54. **Agreed:-**
- 54.1. **Members supported the development of formal communications on the move away from the '20:20:10' metrics approach for the remainder of the strategic plan period.**
- 54.2. **Members confirmed that they understood and supported the proposed performance and planning framework and that this should form the basis for the development of a set of draft national and local plans for 2017/18.**
- 54.3. **The policing plan group to run the next stage of consultation on the 2017/18 plans starting in mid-January.**

87/2016 Appointments and Remuneration Committee

Agenda Item 12

55. The Authority received a report summarising key matters arising from the meeting on 8 December 2016, including a review of the job description for one Senior Staff post and the mid-year performance reviews.
56. The report was noted.

88/2016 Chief Executive's Report

Agenda Item 13

57. The Authority received a report outlining the work of the Authority Executive Team since the last meeting. The report also included an update on the Emergency Services Mobile Communications Programme.
58. The Authority Business Manager referred to the upcoming Board Effectiveness review, and confirmed that Members would be sent out questionnaires for completion in the New Year. In response to a Member's question, it was also explained that RSM would be approached with a view to conducting a post-implementation analysis of the Governance Review.

59. The report was noted.

60. **Agreed:-**

60.1. **Members to fill questionnaire and return to LY. RSM to be approached regarding possibility of further work to assess current status.**

89/2016 Any other Business

Non-agenda

Last meeting of the outgoing Chief Executive, Andrew Figures

61. The Chairman commented that this would be Andrew Figures' last meeting of the Authority prior to his retirement on 31 December 2016. She was joined by Members in paying tribute to Andrew's contribution and dedication over his nearly seven years as Chief Executive of the BTPA. Andrew had provided valuable guidance over a period of significant organisational change, during which he had developed strong working relationships with the Rail Industry and the wider Policing world. Andrew's leadership qualities had been recognised and highlighted in messages received from BTPA partners.
62. The Chief Constable paid a personal tribute to Andrew, as mentor, leader and reliable source of advice. He underlined the unwavering support that he had offered the police service in achieving its aims, his willingness to champion the interests of the BTP, and his strategic thinking and foresight.
63. Andrew responded by thanking his Executive Team, the Force and Members of the Authority for the support provided over the years.

The meeting finished at 13.00

Date of next meeting:

26 January 2017

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