

Minutes Police Authority

Wednesday 27 September 2017, 11.45am
at Golf Meeting Room, BTP, The Axis, Holliday Street,
Birmingham

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Present:

Mark Phillips, Interim Chairman
Len Jackson OBE, Interim Deputy Chairman
Dominic Booth
Dyan Crowther
Liz France CBE
William Gallagher
Shrin Honap
Bill Matthews
Jeremy Mayhew
Martin Richards
Beverley Shears
Stella Thomas

Apologies:

Andrew Pollins

In attendance:

Paul Crowther OBE, Chief Constable
Adrian Hanstock, Deputy Chief Constable
Charlie Doyle, Assistant Chief Constable
Robin Smith, Assistant Chief Constable
Steve Thomas, Assistant Chief Constable
Simon Downey OBE, Director of Capability and Resources
Alistair Cook, Force Finance Director
Elaine Derrick, Senior Advisor
Charlotte Vitty, Chief Executive
Yifat Steuer, Interim Finance Director
Samantha Elvy, Strategy and Performance Manager
Lucy Yasin, Authority Business Manager
Leigh Bura, Scotland Project Manager

Part I – Items taken in Public

37/2017 Welcome and Apologies

Non-Agenda

1. The Chair welcomed ACC Thomas to his first Authority since his recent absence. He also welcomed ACC Doyle who was attending his first Authority meeting since joining BTP on 19 September.

2. The Chair gave apologies from Mr Pollins who had been detained on other business.

38/2017 Minutes of the meeting 15 June 2017

Agenda Item 1

3. The minutes were agreed as an accurate record.

39/2017 Matters arising/actions outstanding

Agenda Item 2

4. The actions were accepted as complete or were covered elsewhere on the agenda.

40/2017 Chairman's update

Agenda Item 3

5. The Chair updated the Authority that since the last meeting he had met Paul Plummer of the Rail Delivery Group (RDG), Will Rogers the Managing Director of London Overground and Mark Wild Managing Director of London Underground.

41/2017 Chief Executive's Update

Agenda Item 4

6. The Chief Executive updated that the Executive Team had been exceptionally busy over the summer months implementing the governance changes, working on the restructure of the team and beginning the work to reset the Strategy.
7. The new committees had met for their inaugural meetings the previous week. Feedback had been very positive from both the Members and the Force. It was noted that the volume of the meeting packs had reduced by around half but it was considered that greater clarity, information and relevance was provided in the streamlined exception approach. It was also emphasised that behind this new approach the Executive was plugged into Force meetings and able to provide a second level of assurance to Members to ensure that things were not being missed. Portfolio working also provided further assurance and robustness to this approach. The Executive would now be supporting the Force in looking at efficiencies that could be driven out from their internal governance structures.
8. Project Scotland continued as a large part of the Executive agenda. The Chief Executive noted that a late update had been sent out on the Scotland paper adding that it was ever-changing and the Executive wanted to ensure that Members were as up-to-date as possible. There had been a joint project board meeting the day before at which Scottish colleagues had reached some positive conclusions on matters that had been outstanding.
9. The Chief Executive gave an update on stakeholder meetings that she had attended since the last meeting. These included meetings with the RDG, Mark Carne of Network Rail and Mike Brown of TfL. There was lots of support for reviewing opportunities for collaboration with rail partners which would be taken forward through the Strategy work.

10. The restructure of the Executive Team would be launching from the following week. There had been positivity from the team throughout the process and communications on the new structure would be circulated the following week.
11. The Chief Executive had been asked to be an ambassador for the Female Police Association within BTP and also to sit on the southern board of Women in Rail.

42/2017 Chief Constable's Update

Agenda Item 5

12. The Chief Constable began his update by noting that there was a lot of work happening with multi-agency partners to address the current terror threat. He touched on the Parsons Green attack describing BTP's initial response as good and working seamlessly with Metropolitan Police Service (MPS) colleagues. The communications plan had been a key focus for BTP to provide reassurance to members of the public, particularly focusing on that evening's rush hour and the next weekday morning commute.
13. BTP had implemented search powers under s47 of the Terrorism Act following the Parsons Green attack. These powers had been withdrawn within 48 hours, as BTP ensured they were only in use for the minimum amount of time required. Home Secretary approval of these powers was only required if they lasted beyond 48 hours.
14. Operation Temperer had been activated following a COBR meeting and BTP had received an additional 100 armed resources a day. This had enabled BTP to field 200 armed officers a day on the rail network throughout the 'critical' threat period. A clear plan was now in place for the various levels of mobilisation.
15. The Chief Constable was able to update that the additional cost of the period of 'critical' threat following the Manchester and London Bridge attacks would be reimbursed following confirmation from the Home Office. A claim would now be submitted for the latest critical period costs.
16. The Chief Constable updated on the project to implement the regional armed hubs. The project team had been working through the detail and found opportunities to reduce the capital costs of the armouries. The role requirements for the Authorised Firearms Officers (AFOs) had been completed and the roles advertised. There were opportunities for both internal and external candidates. The recruitment would be phased as it was important to have AFOs with existing experience in the first wave. The Chief Constable confirmed that the chief constable's for the Home Office forces in the areas where the BTP hubs would be based were very supportive and partnership opportunities were being explored.
17. ACC Thomas was conducting a piece of looking at lessons to learn from the recent terror attacks. An element of this included working with Mark Newton at RDG on communications with the rail industry during and in the immediate aftermath of terror attacks.

18. The Demand Review had been implemented in April and it was recognised that there had been some issues with the new model which whilst theoretically sound had some issues in practice. As a result the model was being refined to ensure the most efficient model was in place, particularly in terms of sergeant shift-patterns and briefings. In response to a question, the Deputy Chief Constable (DCC) confirmed that the rail industry had been consulted on the proposals at an event in November 2016 whilst the project was ongoing. There had not been any formal consultation since the implementation and once the amendments to improve this were in place comments would be invited.
19. The staff survey was due to commence at the beginning of October. There had been a 64% response rate for the last survey which was positive. The survey being used had been developed by Durham University and had already been implemented by a number of police forces. This would provide a good comparator for BTP across the policing family. The results would be received in January and it was noted that some anxiety and uncertainty was expected to impact these as a result of the Target Operating Model work. The Authority was pleased that this work was now happening and emphasised that the results needed to be received and analysed in time to feed into the Strategy work.
20. The National Rail Awards had taken place the previous week. Four tables had been donated by the organisers for first responders at Manchester and London Bridge. There had also been a special award at the end of the evening for those who had been involved. This had been very moving and the Secretary of State for Transport had also said a few words about the value of BTP and how proud he felt.

21. Agreed

- 21.1. The staff survey results to be considered as an input to the Strategy

43/2017 Strategy, MTFP and Business Planning 2018/19

Agenda Item 6

22. Ms Crowther introduced this item as Chair of the Strategy and Planning Committee.

MTFP

23. The MTFP was a key input to the Strategy. The MTFP presented to the meeting was based on a number of high-level assumptions that required testing and currently represented a worst case scenario. The numbers would be tested and matured and brought back to the Authority as a final product in December, along with a sensitivity analysis of the risks and opportunities. In the meantime they were presented for discussion to determine the direction of travel and preferred funding options available.
24. The key assumption for the MTFP was that any uplift would be a maximum of the Retail Price Index (RPI), currently 3.2%. The numbers showed significant pressures in year one as the work to enable the required efficiencies took place. The pressures reduced in years two and three, assuming the efficiencies were realised. Following discussion at the Strategy and Planning Committee more of the enabling costs to deliver the

efficiencies had been front loaded (including redundancy and the Project Management Office for the Target Operating Model work) to ensure that the required efficiencies were reached by the end of the MTFP period. The cost of change to realise the efficiencies was forecast at 25% of the efficiency value each year. The efficiencies would buy-out the significant pressures that would fall throughout the MTFP period including costs of the Emergency Services Network, WAN/LAN, CT hubs and Scotland.

25. The capital assumptions followed a similar path with high costs in year reducing over years two and three.
26. A separate paper was circulated which outlined possible funding options for delivering the MTFP. This was a joint paper by the Chief Executive and Chief Constable. The Chief Executive introduced the paper which considered the following four funding options along with their advantages and disadvantages:
 - **Option 1** -
 - **Option 2** -
 - **Option 3** -
 - **Option 4** -
27. The Chief Executive recommended option four as representing the most efficient and effective way forward.
28. The Chief Constable agreed that option four was a possibility, confirming that BTP was looking at options for delivering against this. The options included looking at where it could bear down on budget such as timing and phasing of costs particularly in terms of capital expenditure and improved cash management procedures, as described in the paper. The Chief Constable noted that this option created the burning platform from which to deliver the efficiencies as funding the pressures out of reserves was not a sustainable position. It was the risk appetite in respect of this that would be a deciding factor. He also cautioned, however, that there needed to be realism in respect of when the efficiencies could be delivered and that these may not materialise until 2020/21.
29. The Chief Constable concluded that if a letter could be obtained from the DfT which confirmed that as the lender of last resort any contingency funding required could be delivered quickly enough to ensure that the payroll would always be covered in the event there was a cash shortfall he could support this option.
30. In respect of options one to three the Chief Constable's view was as below:
 - **Option 1** – The Chief Constable had support for this option as it provided the significant benefit of having certainty on the budget whilst still providing a possible reduction in the future as efficiencies were delivered. He recognised however the difficult communications with PSA holders this would require.

- **Option 2** – The Chief Constable did not support this option as it only pushed the problem further out.
 - **Option 3** – The Chief Constable noted that this was similar to option four and depended on the appetite for using reserves.
31. The Chief Constable was clear that regardless of the funding option selected pressure needed to be maintained on central government in respect of the counter terrorism funding. This was fully supported by the Authority.
32. There was endorsement for option four amongst the Members as it was recognised that anything beyond a 3.2% increase would be very difficult in the current environment. A number of concerns were raised in respect of this option which would need to be addressed, these were:
- 32.1. How the risk to reserves would be managed and mitigated to prevent these falling below £10m, with a clear understanding of the difference between the level of reserves and the value of cash management options.
- 32.2. The risk of the capital and other pressures rising beyond the current projections.
33. Finally, the Members had some concerns in respect of how the data was presented. In particular, there was confusion in respect of how the efficiencies and counter terrorism funding were presented. The direction was that recurring efficiencies and the counter terrorism funding should be included in the base budget. To address this it was proposed that in future the efficiency and counter terrorism detail be captured in the appendix for the audit trail and not included in the main paper to avoid confusion.
34. The Chair concluded that the direction was for the MTFP to get as close to 3.2% as possible, have a dialogue with the industry before any final decisions were taken and speak to the DfT in respect of them being lender of last resort.

Strategy

35. The Strategy work was in progress using the SOSTAC methodology. The DCC gave a short presentation on work so far to socialise the emerging thinking and provide an opportunity for the wider membership to share their thoughts.
36. There was general support for the direction of travel and it was noted that under the '*lead and influence*' strand the Force was already doing work to influence franchise agreements, for example in terms of safeguarding requirements.
- 37. Agreed**
- 37.1. The work on the MTFP to continue with the aim of getting as close to 3.2% as possible.
- 37.2. A dialogue to take place with the industry regarding funding before any final decisions are taken.

- 37.3. Discussion to take place with the DfT to clarify the position in respect of them being lender of last resort with an undertaking on how quickly any contingency could be transferred.
- 37.4. A matured MTFP to come back to the Authority in December with a preferred funding option clearly recommended and the presentation style updated to ensure ongoing savings and costs are included in the base budget and only captured separately on the appendix.

44/2017 In-year performance and efficiencies

Agenda Item 7

- 38. Mr Booth introduced this item as Chair of the Performance and Delivery Committee.
- 39. The first order of business had been to close out the actions from the previous three committees (finance, performance and people and standards).
- 40. The Force had provided an excellent presentation on the key performance indicator dashboards which had been provided as part of the Authority pack. There were a few fine tuning amendments to be made such as looking at deployable resource as opposed to simply headcount for a truer picture.
- 41. The indicators were that the contract control arrangements were much tighter, which was positive.
- 42. The key performance indicators in respect of the Policing Plan were concerning but it had been clear that the Force understood and could articulate where the challenges were and how these would be addressed going forwards. It was recognised that this was a difficult message for the PSA holders who could see that charges were up, officer numbers were down and crime was rising. The need to communicate a very clear narrative on the issues was essential to retain confidence.
- 43. There was a £2.5m forecast overspend for the 2017/18 budget which would be subject to further discussion at the next committee. The Chief Constable clarified that this was largely a result of the unbudgeted spend on counter terrorism which the Authority had approved in June. The Authority accepted this was where the majority of the pressure had come from and confirmed that they would continue to apply pressure on central government for counter terrorism funding. In the meantime, however, they were clear that this needed to be managed within the current budget.

45/2017 Target Operating Model

Agenda Item 8

- 44. The DCC gave a presentation on the Target Operating Model.
- 45. The Authority requested clarity on the deliverability of the TOM and its interlinkage with other projects. It was noted that this would stop being the TOM and become part of the delivery of the Strategy.

46. The DCC undertook to circulate the broader pack which contained a detailed timeline. Deloitte were also currently working to develop a clear delivery plan.
47. It was noted that the Strategy work was underpinned by a significant opportunity to reset the culture and this transformative opportunity should not be missed whilst focusing on the final efficiency number. The Chief Constable agreed, stating that the Multi Force Shared Services (MFSS) work was a good example of where significant cultural change was being driven. It was considered vital to drive this work from a transformative point of view and not solely from a financial perspective to ensure that the Force was in the best place for the future. This reinforced the need for a delivery partner to help deliver this very complex programme of work.
48. The Members were supportive and positive about the direction of travel. Further clarity was requested in terms of the IT investment required.
- 49. Agreed**
- 49.1. The DCC to circulate the broader pack containing the timeline.
- 49.2. The delivery plan to be circulated once complete and reviewed by the Chief Officer Group.
- 49.3. A one pager on the IT investment required to deliver TOM to be circulated.

46/2017 Multi-Force Shared Services (MFSS)

Agenda Item 8.1

50. The outline business case for moving to the MFSS model was presented for approval to commence works on the full business case. The MFSS was run by a number of forces in collaboration with support from Cap Gemini. It was confirmed that the Force had looked at a number of options including collaboration with Network Rail and TfL but this was considered the most suitable as the closest match.
51. There were mixed views within the membership on the advantages and disadvantages of this sort of model and whether it represented the best way forward.
52. The Authority sought assurance on the timing of this project and whether it would potentially cause any issues for the work coming out of the TOM. Mr Downey responded that the current situation was not sustainable and a change could not be delayed.
53. The move to a full business case was approved on the proviso that it includes assurance on integration with other IT projects, a risk analysis for potential behavioural issues and assurance that the self-service was for the benefit of employees.

54. Agreed

54.1. The move to a full business case was approved. The full business case to cover:

- assurance on integration with other IT projects,
- a risk analysis for potential behavioural issues and
- assurance that the self-service was for the benefit of employees.

47/2017 Scotland

Agenda Item 9

55. Mr Bura gave an update as Senior Project Manager.

56. There was more confidence in the governance apparatus which had resulted in more movement in terms of decision-making.

57. A significant decision had been reached at the joint project board the day before that all officers would transfer as employees. A further decision had been taken that all contracts would be terminated ahead of transfer and Police Scotland would need to cover any gap.

58. The possibility of the establishment of an independent Project Management Office (PMO) had been discussed at the last meeting. This concept had been developed further and there was a proposal for a co-funded PMO with Police Scotland on the table. This would require a £200k investment from the BTP Fund. After some discussion it was agreed that the £200k would come from the Authority's budget as it related to governance matters although it was recognised that this was significant unfunded pressure on the Authority's £2.2m 2017/18 budget.

59. The DfT had confirmed their position that they did not consider the removal of Scotland to be a change to the cost allocation model and could see no evidence of the need review the model. The DfT had suggested that the Authority take its own legal advice on this point and recommended a consultation with PSA holders on the steps the Authority should take.

60. The legal advice would be obtained and the consultation would take place quickly following which the Authority could explore the remaining risk which it expected to have covered off by legislation.

61. The £9.5m figure had not yet been fully analysed as this was a complex process but it was underway. The £9.5m residual figure was intended as the worst case scenario so it was expected that the final figure should come in below this but this could not be committed to at this stage.

62. Agreed

62.1. The improvements in the wider programme governance arrangements were noted.

62.2. The progress on decisions made across the programme was noted.

62.3. The jointly fund (£200k in total for BTPA) independent project office with Police Scotland was approved.

- 62.4. The Authority Members confirmed that until they were in receipt of the consultation outcome it could not agree that there was no need for DfT to provide a buy-out in the event of a challenge when passing on financial impacts to the PSA holders in England and Wales.
- 62.5. The Authority agreed that there was no need to review the charging model as a direct result of Scottish devolution.
- 62.6. The BTPA executive team was instructed to prepare and issue a consultation letter to affected PSA holders before the next Authority meeting.

48/2017 Wash-up charges

Agenda Item 9

63. The recommendation of the Performance and Delivery Committee was approved. This was to:

- 63.1. Utilise reserves to reduce funding gap by c.£550k, which is equivalent to the 2016/17 CT underspend.

Manage the shortfall of the remaining c.£670k through -

- 63.2. Deduction of the c.£540k TfL from 2017/18 refunds (currently calculated at the amount of £1.1m).
- 63.3. Charge the c£.130k to the over ground PSA holders as part of the wash up charges.

49/2017 Joint Risk Register

Agenda Item 10

64. The risk register was noted and positive feedback provided on the format.

50/2017 Infrastructure Policing Project

Agenda Item 11

65. This no longer appeared to be government priority but remained a focus for BTP in terms of collaboration opportunities.

51/2017 HMIC Report and Acton Plan

Agenda Item 12

66. The HMIC Report and action plan were noted. It was expected that the DfT would publish the report in October at which point this would no longer need to be dealt with privately.

67. The Chief Constable updated that he had met Matt Parr of HMIC who had provided positive feedback on the comprehensiveness of BTP's action plan. His only concern being that it could be too ambitious for the timeframes.

52/2017 Statutory Committee Summary reports

Agenda Item 13

68. The committee reports were noted.

53/2017 Minutes of meeting 15 June 2017 Private

Agenda Item 14

69. The minutes were approved as an accurate record.

DRAFT