

Report to: Police Authority  
Agenda #: 7  
Date: 23 June 2021  
Subject: CEO Update for Members  
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For: Members

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## 1. Purpose of paper

- 1.1 This report to BTPA's June 2021 Full Authority meeting complements the Chief Constable's, principally operational, update to the same meeting.

## 2. Strategic Financial Issues

### 2.1 20/21 Outturn and next steps

Once the significant accrual for untaken annual leave and the approximately £9m Covid funding from DfT have been accounted for, last year should come in at around a £1.5m overall surplus.

In a separate paper to this meeting, Members are asked to agree a Strategy and Planning Committee proposal that BTPA do not operate a retrospective 'wash up' process for 20/21 charges (still subject to DfT agreement). My hope is that this will be a first step towards a position in which any year end over or underspends are simply carried forward into the subsequent year's budgeting rather than retrospectively reallocated amongst PSA holders. This would seem entirely consistent with the direction of travel identified in the Williams-Shapps Review.

### 2.2 21/22 Progress

We are too early in the current financial year to make firm predictions but I am not unduly concerned about the chances of BTP living within the 21/22 financial envelope approved by Members in December. This said, I note that we have intentionally not yet *funded* the move from Axis House to Baskerville House in Birmingham. This move is planned for December 2021 and may cost around £6m.

That money will come from Reserves until and unless Members subsequently decide to charge that out.

In agreeing the 2019 Police Staff Pension Valuation, the Authority also accepted around a £2m extra pressure in 21/22. Further pressures and opportunities will emerge throughout 2021. In agreeing the next MTFP in December of this year, Members will be able to make decisions on the best available information at that time when deciding the extent to which any access to Reserves should offset charges to be levied for 2022/23.

### 2.3 Spending Review 2021

Before we reach the next MTFP decision this December, we expect HMG to have concluded a Spending Review covering 2022-25. We retain all the information submitted for the Spending Review 2020 which, in the event, delivered only a one year settlement. My greatest concern is that last year's bids now look tired. BTP/A's best chance of success in SR21 will come via an invigorated new narrative and investment priorities based squarely on Members' support for the vision and ambitions of the new Chief Constable. Force and Executive face a significant challenge to translate the Chief's thoughts (to be presented on 23 June) into a crystallised, compact SR submission by as soon as August. This will be a major focus for the coming weeks.

## 3) Leadership, Strategy and Risk

### 3.1 Chief Constable

I have been discussing emerging thoughts with the new Chief Constable. I am looking forward to a full discussion of her thinking, with Members, COG and Exec Team colleagues on 23 June. The Exec Team stands ready to construct a full programme of work on the back of this session. I expect some of the Chief Constable's ideas to spawn workstreams even beyond the below but three key products to which we must chart a path after 23 June are :

- New BTP/A Strategy for 2022/5 (by March 2022)
- BTP/A Spending Review submission (probably August 2021)
- BTP/A engagement with Rail Reform (Autumn 2021?)

### 3.2 Rail Reform

Members will have seen the Williams-Shapps White Paper and will have read some commentaries. We hope Conrad Bailey (DG Rail DfT) will also be present to supplement some of Lucy D’Orsi’s input on 23 June. As Members have known for some time, the security of the railway has not been a focus of the rail reforms thus far and is not currently intended to be among the first strands of reform for implementation. However, there will undeniably be implications for the way rail security is orchestrated (and funded). There may also be a risk that some of the opportunities for increased effectiveness and efficiency in rail security are missed since the primary focus of reform is elsewhere. With others, the Chief Constable and I have started conversations about the best time and place to inject BTP/A experience and expertise into the reform process. We need to develop those conversations further.

### 3.3 Assurance

I was pleased to note that GIAA have offered a ‘moderate’ opinion on the effectiveness of BTP/A controls for 20/21. In the pandemic year, this improvement from the ‘limited’ opinion of 19/20 reflects well on the hard work of colleagues across the Force and Authority. I doubt many Accounting Officers would be happy to rest at ‘moderate’ however, and I am not one of them. I reported to the March Authority meeting that I expect our assurance efforts for 21/22 to focus on the (self) identified areas of relative weakness:

- Risk Management Maturity
- Health and Safety
- Physical Security
- Cyber Security.

Since that time, our assessment is that our Health and Safety arrangements have moved out of the basket of issues of the greatest concern. Conversely, GIAA advice is we should pay significant focus now to how we hold and use data.

I expect Members to see evidence of focus on these areas throughout 21/22 and will be grateful for active questioning where they do not see this evidence.

### 3.4 EPSA Management

Members will recall previous issues around EPSA Management – specifically our inability at times sufficiently to evidence across BTP/A that resource is being applied in the terms specified in our Enhanced Police Services Agreements. John Babalola

joined the Exec Team as Head of Contracting in February with the initial task to address this area of deficiency. He presented to Audit Committee on 17 June a proposal for a new EPSA Management process – partly resulting from our own experiences and partly from a recent GIAA report. I am optimistic about the benefits of the process he has co-developed with BTP.

### 3.5 Risk

I enjoyed the discussions we had with Members at our workshop on 19 May. Lynsey Marshall (BTPA) and Mel Morton (BTP) presented on their subsequent work to Audit Committee on 17 June. Our expectation is that this refresh of our corporate approach to risk will enable the process of risk management to ‘live’ more across BTPA, so helping to address one of our areas of relative weakness.

### 3.6 Deputy Chief Constable

The process for appointing the next Deputy Chief Constable is moving forward. An assessment centre has been conducted for the short listed candidates and final interviews are set for early in July, after which time Secretary of State approval of the successful candidate can be sought with a view to their arrival in the autumn.

### 3.7 Members

Subject to the approval of the Secretary of State, interviews for up to five new Members of the Police Authority will also be conducted in July. This means that decisions on the successful candidates should be in front of the Secretary of State before the end of next month. There was a significant amount of interest in those roles and I have been particularly impressed with, and grateful to, Executive Team colleagues who have supported the Panel in selecting what I believe to be a very strong set of candidates for interview.

## 4) Other Strategic Issues

### 4.1 Manchester Arena Inquiry

As the Chief Constable notes in her report, the report of the first part of the Inquiry is now upon us and BTP/A will need to work together to consider the implications of current and future findings of the Inquiry.

## 4.2 Board Evaluation and Development

The final action plan from this year's Board Evaluation exercise is before the Authority today. I have been pleased to see Members and Exec Team particularly engaged in the process this year. At the risk of pre-empting full Authority approval of the plan, I look forward to working with Exec Team and Member colleagues in its implementation. Having conducted our 'oversight mapping' exercise earlier in 2021, we now have a framework to test whether the changes we make allow us to identify our preferred mode of our oversight right across the different BTP/A functions.

## 4.3 Integrity Regulations

Three Members have now formed a group to review the handling of some complaints by BTP and have started to see some cases coming through. This is a tangible – but by no means the only – development from the new Regulations we adopted in January of this year.

## 4.4 London Estate

The Exec Team (and some Strategy and Planning Cttee Members) have engaged with BTP colleagues on the future of the BTP Estate in London. This exercise tries to optimise the coincidence of the expiry of the lease at FHQ (Dec 2024), with TfL's accommodation of operational teams in London (lease also expires in 2024). The involvement of TfL and MPS (a currently favoured site is one of which MPS wish to dispose quickly) makes this complex. On the face of it, a significant investment may be required – which would need to be navigated through the Spending Review and other competing claims on such funds. It will be challenging to reach agreement on a value for money solution, acceptable to all parties and within the requisite timescales.

## 5) Pensions

### 5.1 New Staff Pension Scheme

The Authority approved the introduction of a new Staff Pension Scheme at its meeting on 24 March. Our legislation requires that the opening of a pension scheme be approved by the Secretary of State. We await this approval. In the meantime, new joiners are entitled to join the existing Staff Pension Scheme.

## 5.2 Officer Scheme Valuation

BTPA, RPMI, DfT and tPR have set up a Steering Group to progress the 2018 valuation of the Officer Pension Scheme. RPMI and BTPA have assessed a small surplus, while tPR are suggesting there is a significant deficit. There is progress in these discussions, but the risk of needing to fund a large deficit is likely to remain with us into this summer's Spending Review.

## 6) Executive Team

### 6.1 New Starter

As heralded in my report to the March meeting, Madhvi Raichura joined the Executive Team on 31 March as Charging Manager. She has settled in well and is in pole position to calculate and help communicate our charges for 22/23, working closely with BTP in doing so on the timely provision of all the requisite data sets.

6.2 BTPA are currently occupying office space in a BTP building at London Bridge. Lockdown has meant we have never properly inhabited that space since we took it on in November. Some of us have started to work out of there occasionally in more recent weeks. With the help of BTP colleagues we have identified a space on the 4<sup>th</sup> Floor of FHQ in Camden and may relocate there before the end of the summer. So, some dislocation in our physical presence in the office will persist, but for now all Exec Team members are substantially working from home so disruption is minimal.

## 7) Out of Committee Decisions

The following decisions have been taken by the Chief Executive in consultation with Members under urgency procedure since the meeting of the Full Authority on 24 March 2021:

- a. **A014 – Pension Augmentation [12 April 2021]**. An augmentation payment of £30,000 into a departing police staff employee's pension was approved in consultation with the Pension Working Group and the Chair and Deputy Chair of the Full Authority.
- b. **A015 – Deputy Chief Constable Recruitment Assessment Format [17 May 2021]**. A format of a one-day assessment centre consisting of an Industry Panel and a People panel, allied with a psychologist assessment was

approved in consultation with the Appointments and Remuneration Committee. The key themes underpinning questions to be posed by the Appointment Panel were also approved.

c. **A016 – Business Case: National Uniform Managed Service [16 June 2021].**

A business case regarding the National Uniform Managed Service was scrutinised by the Strategy and Planning Committee via Board Intelligence and is recommended, on behalf of the Committee, to the Full Authority for approval at its 23 June 2021 meeting. The business case includes a £523,000 cost saving over the life of the contract and streamlined approval and delivery processes.

8) Recognition

- 8.1 The Chief Constable has reported key recognition for Members of BTP in her complementary update, but modesty has prevented her from mentioning her own QPM Award. Members are aware of this Award and I know are delighted with this recognition for Lucy and for those with whom she has worked to deliver vital policing services for the public over many years.