

**Reform of the BTPA  
methodology for the  
allocation of charges to Police  
Service Agreement holders:  
Information Pack**

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## **1. About this consultation**

- 1.1. This consultation sets out proposals to implement a new charging methodology by which to defray the core costs for policing the railway to the rail industry and other service users. The current methodology uses a Cost Allocation Model (also known as 'Matrix Charging Model') to defray these costs. This methodology is complex, produces unpredictable charges and is not future proof.
- 1.2. The British Transport Police Authority (BTPA) is reviewing the way in which we allocate these charges to our core funders and proposing a new methodology that will be simpler, more predictable and should reduce volatility.
- 1.3. BTPA is consulting on the proposed changes for a six-week period from Tuesday 26 September 2023 to Tuesday 7 November 2023. We are engaging with our existing funders and other interested parties.

## **2. Background**

- 2.1. BTPA aims to ensure the efficient and effective policing of the railways. We are responsible for defraying the cost of railway policing to the industry and other service users, as per the Railways and Transport Safety Act 2003.
- 2.2. A Police Service Agreement (PSA) contract sets out the basis on which Train Operating Companies (TOCs) and other service users are charged for their share of the core costs for policing the railway.
- 2.3. BTPA's funding is based on the user pays principle. BTPA currently uses a Cost Allocation Model (CAM) to defray charges to 29 of our core PSA holders. Not all core PSA holders are charged via the CAM; there are also 21 small PSA holders whose charges were agreed as part of the initial contract and are subject to the annual increases applied to the core policing budget. This group of PSA holders include heritage operators, metro systems, some freight operators and maintenance providers. A further two Freight Operating Companies (FOCs) are currently charged on a cost per crime basis. See Appendix B.
- 2.4. The current CAM was introduced in 2007/8 and uses various datasets, including those sourced from the British Transport Police (BTP), Train Operating Companies (TOCs), Network Rail and Office of Road and Rail (ORR) to calculate the proportion of the core policing budget that each core PSA holder is charged. The introduction of this model responded to an ask from funders to make the charges more accurately reflect the service received from BTP.
- 2.5. In 2013 BTPA introduced a new Police Service Agreement (PSA) which requires the model to be run twice for each financial year; for the provisional (core) charges and again for the wash up (actual) charges. The model has not been reviewed since.

- 2.6. BTP and BTPA hosted a stakeholder event with key rail industry partners in September 2019, where the industry supported the strategic commitment to review the CAM with a view to reduce in-year volatility and introduce greater stability within the charges.
- 2.7. The current CAM is a complex model producing volatile outputs resulting in uncertainty and unpredictability for the operators. See section 4 for an overview of the current methodology. A number of datasets are used in the existing methodology, some of which are not publicly available, leading to a lack of transparency to PSA holders. These include internal BTP datasets such as activity data and crime data, and external data such as long-term charges (LTCs). Activity data is dependent on the consistent use of activity codes by officers across the organisation. Metrics such as crime are not representative of the wider work BTP performs. LTCs are provided by relevant operators and not shared with other operators. Furthermore, changes in the operational environment cannot always be fairly and accurately reflected in this model. The proposed change responds to a desire to simplify the process, increase predictability and reduce volatility.
- 2.8. The elimination of the wash up charge for the 2020/21 and 2021/22 financial years was part of this endeavour to reduce in-year volatility and stabilise the charges.
- 2.9. It is important to note that the CAM calculates a PSA holder's contribution to the cost of core policing. The CAM does not determine the core policing budget, which is set by the Authority annually and is unrelated to any changes to the charging methodology.

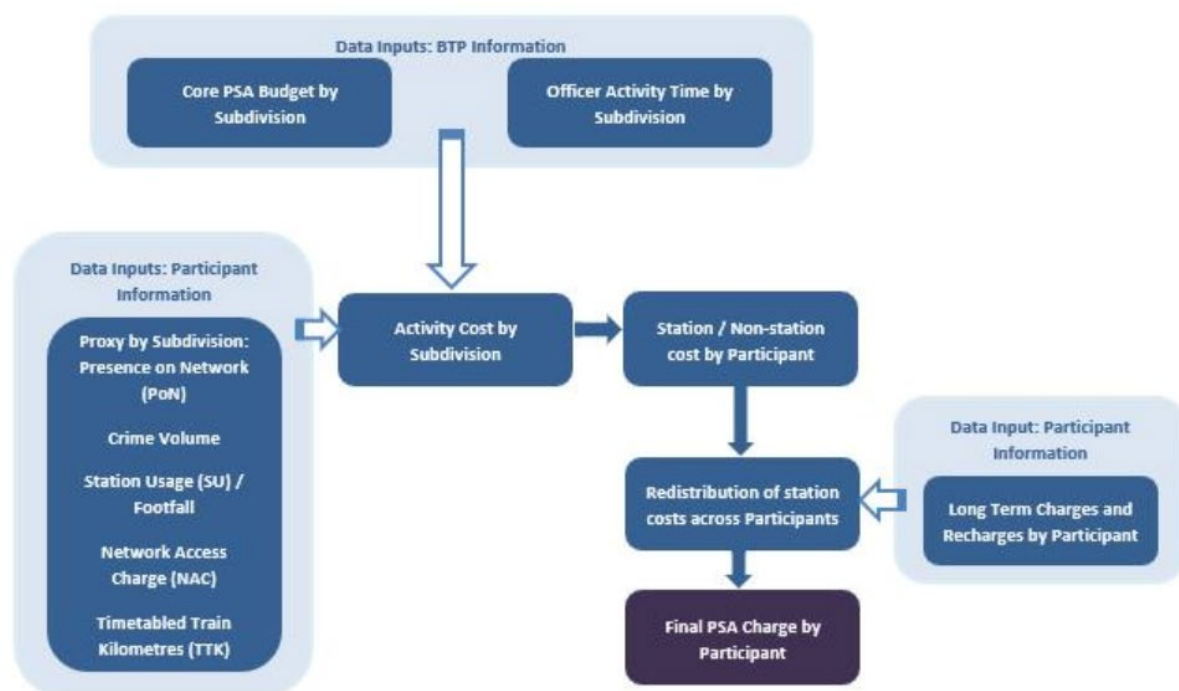
### 3. Legislation and design principles

- 3.1. The future charging methodology must adhere to the requirement set out in [Section 33 \(4\) of the Railways and Transport Safety Act 2003](#) that requires the Authority to defray its costs and ensure that the charges approximately reflect the nature and extent of the service likely to be received by the operators.
- 3.2. In addition, the Authority has identified the following design principles for any new methodology:
  - Simplification whilst remaining aligned with legislation
  - Reduced volatility, both in-year and year-to-year
  - Predictability and consistency
  - Based on meaningful and available information
  - Equitable to all operators
  - Scalable to ensure all new and varied operators can be easily accommodated

### 4. Current methodology

- 4.1. The core policing budget is approved by the Authority annually. This is defrayed across core PSA holders using the existing CAM. As stated previously, it is important to note that the CAM does not *determine* the overall budget, it merely *allocates* that budget once the quantum has been determined and approved. PSA holders currently classified as small PSA holders and FOCs (see Appendix D) are excluded as they have their own charging mechanisms as described in 2.3.

4.2. An overview of the existing charging methodology is below (see Appendix E for definitions of metrics):



4.3. The current CAM has a number of internal (BTP information) and external (other participant information – see 4.2) inputs, which are used to calculate the charges by PSA holder. There is a time lag for the datasets used based on when the data is available. For example, the 2023/24 core PSA charges used 2021/22 datasets. See Appendix C for a table showing age of datasets.

4.4. The core policing budget is apportioned between the core PSA holders after taking out a portion relating to small PSA holders and FOCs. Appendix B gives an overview of the budget split and Appendix D shows the list of PSA holders in each category under the existing methodology.

4.5. BTPA collects, cleanses and quality assures the data before inputting into the model.

4.6. The CAM allocates direct costs at a divisional and sub-divisional<sup>1</sup> (regional) level and additionally allocates a proportion of the indirect costs across sub-divisions. All PSA holders are charged a proportion of the total costs within the sub-divisions in which they operate. Over time, and as BTP has been restructured, the indirect costs allocated in this way have come to exceed the direct costs at sub-divisional level.

<sup>1</sup> Divisions and sub-divisions under the current methodology include Scotland, Pennines, Wales, Midlands, North, South and Western regions.

## 5. Considerations for new methodology

- 5.1. BTPA researched charging mechanisms used across the industry to gain insight and understanding on factors to consider any suitable options to explore further in the design and development of a new charging methodology.
- 5.2. A number of charging options were developed that aligned with our working principles; these were then tested with a group of Authority Members and DfT for review and discussion.
- 5.3. The following options were considered, and the proposed methodology is outlined in Option 7.

### 5.3.1. Option 1: No change

This option would fulfil legislative requirements; however, it would not address the issues identified with the current methodology such as volatility (mainly due to unpredictable movements in activity and crime metrics), predictability, complexity and scalability for new and varied operators. There are also issues associated with the quality and availability of inputs.

### 5.3.2. Option 2: Fixed proportion of annual core policing budget using timetabled train kilometres (TTK), light rail and tram vehicle kilometres (LR&T vehicle km) and freight train kilometres (freight train km)

This option would incorporate the majority of PSA holders through the use of a common measurement unit proxy (TTK, LR&T vehicle km and freight train km), that is meaningful and publicly available. An assumption similar to that used in the current methodology would be used for infrastructure managers (i.e. Network Rail and Amey Infrastructure Wales), whereby the figures used are equal to the total for operators that run on their infrastructure. This methodology is transparent, would reduce volatility significantly and introduce an element of predictability over charges. New and varied operators could also be accommodated as could new infrastructure. This methodology disproportionately impacted certain operator groups, so this option was discounted. While TTK (or equivalent) is a driver of policing costs, it does not include passenger numbers or station usage which are also drivers of policing activity.

### 5.3.3. Option 3: Proportion of operator's revenue/costs (plus variable element to reflect usage of BTP)

This method is used by ORR to raise funds for their health and safety activities. This option would rely on information provided by PSA holders and could easily accommodate new and varied operators. This methodology was discounted as it does not obviously attempt to ensure that the charge "approximately reflects the nature and extent of the functions likely to be undertaken in that year."

### 5.3.4. Option 4: Fixed proportion of annual core policing budget split into three equal pots attributable to Station Facility Owners (SFOs), train/ freight / light rail and tram (LR&T)

**operators and infrastructure managers using proxies station usage / footfall, train km and length of track respectively.**

This option includes station usage and length of track proxies which are indicators of police service requirements across the network and would be fairer for operators without stations compared to only using TTK as per option 2. It would result in an output that is simpler to explain to operators however would not necessarily result in less volatile charges year-on-year. This option was discounted as passenger numbers have not been taken into consideration for the train / freight /LR&T operators and, therefore, not equitable across all operators.

**5.3.5. Option 5: Split the annual core policing budget into three sectors (core PSAs, freight, LR&T) after taking out small PSAs then apply Option 4 to apportion costs.**

This option first splits the total annual core policing budget into sectors after taking out a portion for small PSA holders with some small PSAs re-categorised from the current classification. This re-classification of some small PSAs will mean the apportioned cost will be different to that charged via the current contract. For those small PSAs that remain as-is, we would propose no changes to existing contracts and therefore these operators would not be impacted by any methodology changes. The remaining overall core policing budget would then be split into the three sectors of core (includes TOCs, station managers and infrastructure managers), freight operators and LR&T using an average of TTK / LR&T vehicle km / freight train km and length of track before further apportioning each sector as per option 4. This methodology was discounted as the metrics used do not reflect passenger numbers, a key driver of policing.

**5.3.6. Option 6 a), b) or c): No sector split. Fixed proportion of annual core policing budget using:**

- a) passenger km / freight train km (similar to option 2); or**
- b) mean average of station usage / footfall, passenger km / freight train km and length of track (similar to option 4); or**
- c) mean average of station usage / footfall and passenger km / freight train km with an assumption for infrastructure**

This methodology is similar to that outlined in options 2 and 4, however it uses passenger km/ freight train km instead of TTK / LR&T vehicle km/ freight train km used in the other options. Although this methodology takes into account the impact that passengers have on police resourcing requirements on the network, with the aim to make charges fair and equitable across all operators, there is a risk that this methodology would result in LR&T operators receiving charges that do not fairly reflect the nature and extent of service they receive and therefore would not meet the legislative requirements. This highlights the need for a sector split to ensure the budget can be more fairly distributed between different PSA holder groups.

**5.3.7. Option 7: Split annual core policing budget into three sectors of core PSAs, freight, LR&T (after removing small PSAs as outlined in option 5) using passenger km / freight train km (Tier 1); and then apply an average of station usage / footfall, passenger km**

**and length of track (core sector), freight train km (freight sector) and passenger km (LR&T sector) to apportion costs (Tier 2)**

This is the preferred new methodology outlined in section 6 of this document.

**6. Proposed new charging methodology (see diagram 6.7)**

- 6.1. The quantum of the core policing budget would continue to be approved by the Authority annually. The new model would continue to play no part in the determination of that quantum. The quantum would then be defrayed across core PSA holders using the proposed new methodology. Consistent with the current CAM, this new methodology excludes TfL (London Underground) and HS1 as they have their own charging mechanisms.
- 6.2. The core policing budget will be categorised into three sector groups after taking out a portion relating to a revised group of small PSA holders whose operations do not easily fall into the three sector groups. Appendix D shows the PSA holders by sector group and the revised group of small PSA holders.
- 6.3. A Tier 1 split is performed to split the core policing budget into three sectors; and then a Tier 2 split apportions each of the sectors across PSA holders that fall within each sector group.
- 6.4. The Tier 1 split apportions the core policing budget into three sectors that align to ORR published datasets using passenger km and freight train km to ensure a fair and equitable allocation:

<b>Sectors</b>	<b>Core sector</b>	<b>Freight sector</b>	<b>LR&amp;T sector</b>
<b>PSA holders included in each sector (see Appendix D for full list)</b>	- TOCs -Infrastructure Managers -Station-only operators	FOCs	LR&T
<b>Metric used to apportion core policing budget between sectors</b>	Passenger km	Freight train km	Passenger km
<b>Unit of measurement for metric used</b>	km	km	km
<b>Notes</b>	Infrastructure managers - total passenger km for TOCs is assumed to be equal to that of infrastructure managers as TOCs run over Network Rail and Amey Infrastructure Wales (AIW) infrastructure	Assumed to be an equivalent dataset to passenger km for core sector	Assumed to be an equivalent dataset to passenger km for core sector

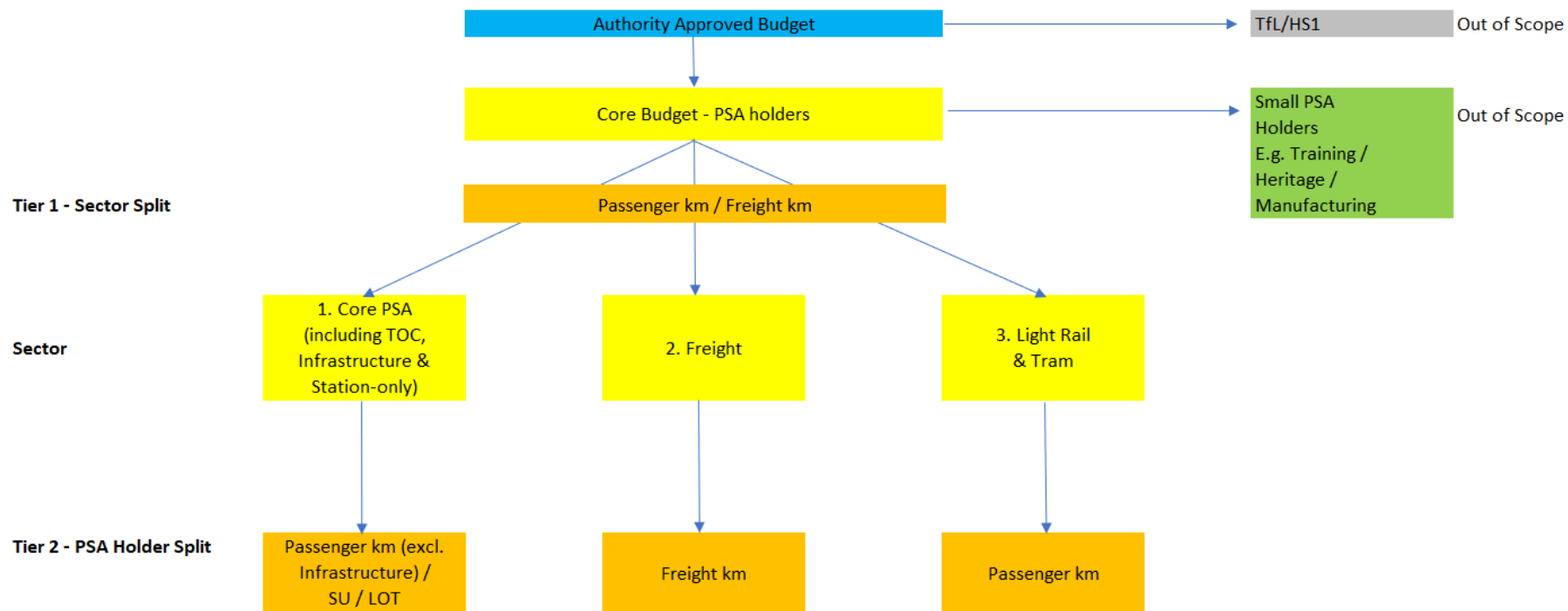


	Station-only operators - there is no equivalent proxy, and no assumption has been made as they form a small portion of this total sector		
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- 6.5. By using a sector split allocation, the issue of disproportionality between different operator groups seen in options 2, 4 and 6 is overcome.
- 6.6. At Tier 2, each sector is then split across the PSA holders in that category using relevant metrics deemed to result in a fair distribution of charges:

<b>Sector</b>	<b>Core sector</b>	<b>Freight sector</b>	<b>LR&amp;T sector</b>
<b>PSA holders included in each sector (see Appendix D for full list)</b>	-TOCs -Infrastructure Managers -Station-only operators	FOCs	LR&T
<b>Metrics used to apportion core policing budget between sectors</b>	Equal weighting across passenger km, station usage / footfall, length of track i.e. One third of the core sector pot is allocated to PSA holders using each of the three metrics.	Freight train km	Passenger km
<b>Unit of measurement for metrics used</b>	Passenger km - km Station usage /footfall – number of people Length of track – km	km	km
<b>Notes</b>	All three metrics are required to ensure all operator types are represented.  Footfall data is required to take account of non-rail users at major Network Rail managed stations.	N/a	N/a

6.7. An overview of the proposed new charging methodology is below (see Appendix E for definitions of metrics used):

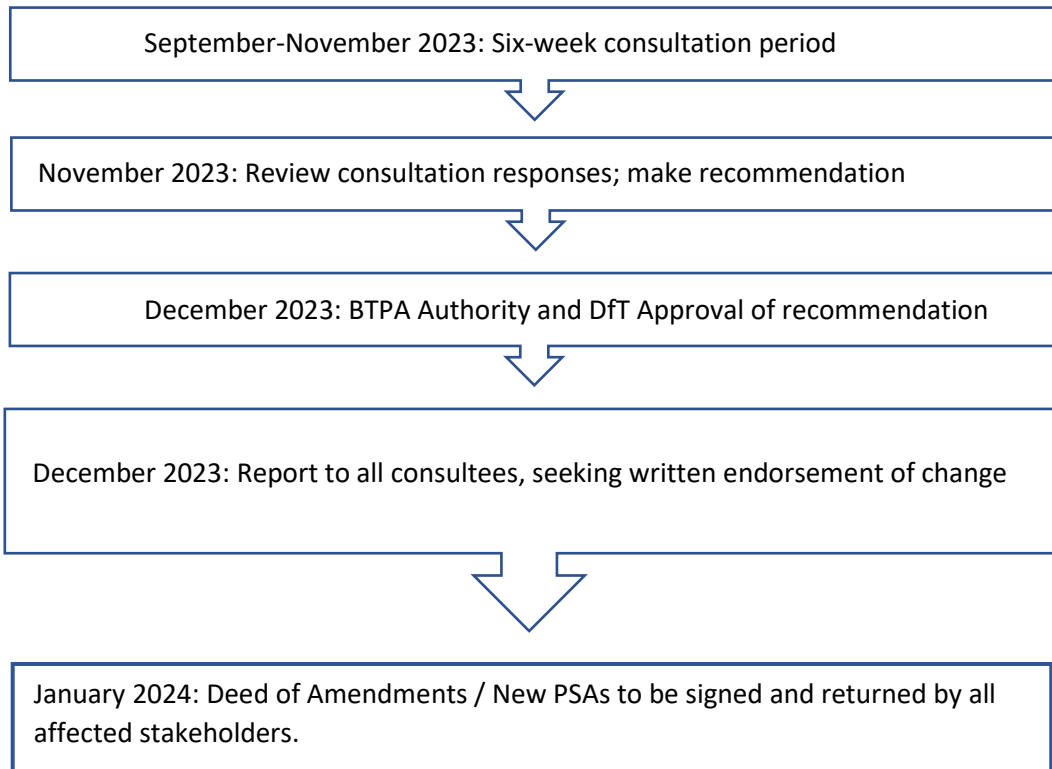


- 6.8. The datasets used as inputs for the Tier 1 sector split and Tier 2 PSA holder splits (passenger km/ freight train km) are historic datasets that would have been assured by ORR prior to being published. The other inputs used for the Tier 2 core PSA holder split would be obtained from ORR (station usage), Network Rail (footfall); and ORR / AIW (length of track). All datasets used would be taken from the most recently available actual information for the previous financial year, for example, 2024/25 charges would use datasets from 2022/23. The use of actuals also means that any events that occurred in the year would be reflected through all metrics as applicable, which would not be the case if planned TTK were to be used as this is based on forecast information.
- 6.9. Operators require charges information to feed into their Annual Business Plan submissions for DfT due in the December prior to the start of the next financial year. In order for charges to be available as close to the operator business planning processes as possible, the age of datasets required would be from two years prior, the same as for the current methodology.
- 6.10. The preferred option should subsequently result in a reduced year-on-year volatility overall compared with the existing methodology. This is because the metrics used in the proposed methodology exclude the more variable metrics such as crime and activity data used in the existing methodology and provide more predictability to operators, keeping in line with the principles of the new methodology. New and varied operators would also be accommodated more easily as could new infrastructure. This option incorporates passenger numbers and station usage, which are considered to be drivers of policing activity.

## 7. What this means for PSA holders

7.1. PSA holder charges could vary more significantly in the first year that this methodology is implemented. In subsequent years, the proposed methodology should provide more predictable charges that are less volatile in nature compared with the existing methodology, with year-on-year movements being simpler to explain. The charges will be more equitable to PSA holders and the methodology scalable to accommodate new and varied operators more easily.

## 8. Proposed next steps

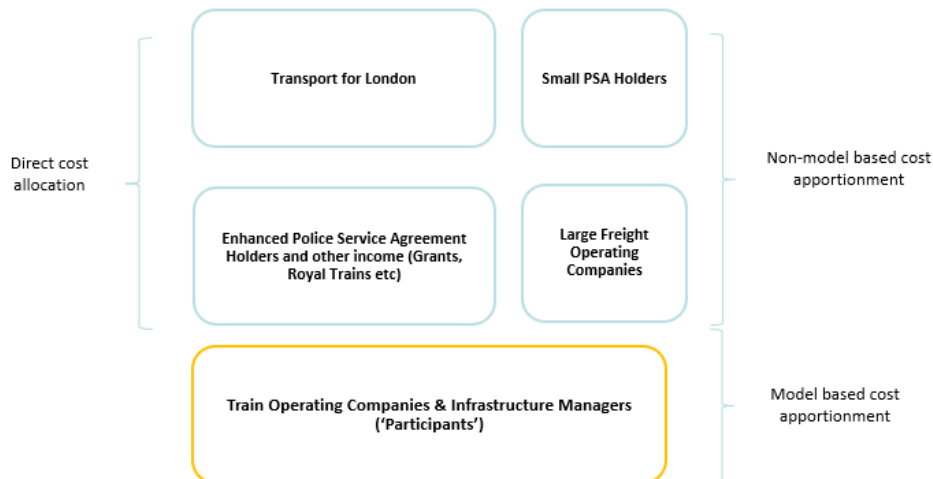


## Appendix B – Overview of BTPA budget split

The overall BTPA budget is funded by PSA holders and additional funding streams (including EPSAs and TfL), who are charged independently of the model. Excluding these additional funding streams, the remaining portion is the core policing budget and is funded by PSA holders.

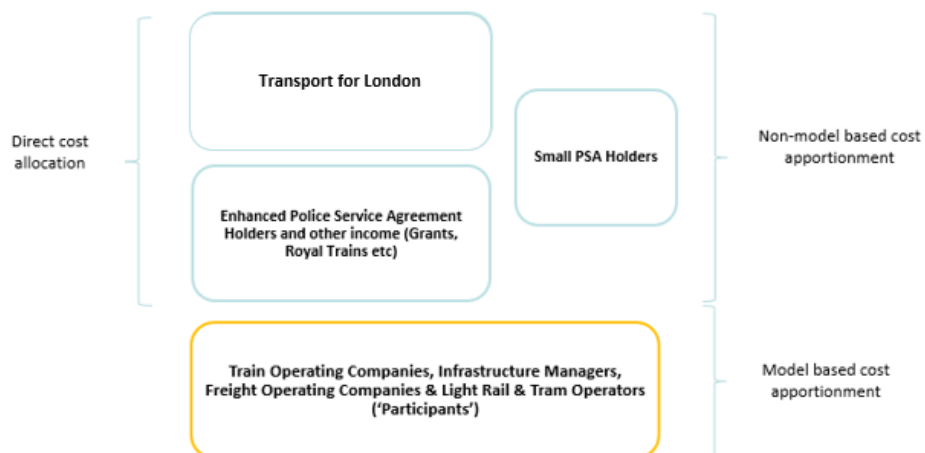
In the existing methodology, a small portion of the core policing budget is charged out to small PSA holders and large FOCs that do not fall into the model, with the remainder being allocated to the participants. This is evidenced through the diagram below:

Existing methodology:



In the proposed methodology, a small portion of the core policing budget is charged out to small PSA holders that do not fall into the model, with the remainder being allocated to the participants.

Proposed methodology:



## Appendix C – Age of datasets used in existing and proposed methodology

Dataset	Existing 2023/24 Core CAM	Proposed 2023/24 Core CAM	Data Provider
Crime Volume	2021/22	n/a	BTP
Timetabled Train Kilometres (TTK)	2021/22	n/a	ORR
Network Access Charge (NAC)	2021/22	n/a	Network Rail
Station Usage (SU)	2021/22	2021/22	ORR
Footfall	2021/22	2021/22	Network Rail
Officer Activity	2021/22	n/a	BTP
Number of Officers /Staff <sup>1</sup>	2023/24	n/a	BTP
Finance <sup>2</sup>	2023/24	2023/24	BTP
Long Term Charge and Recharge (LTC)	2021/22 P13	n/a	PSA Holder
Passenger Kilometres	n/a	2021/22	ORR
Length of Track	n/a	2021/22	ORR/AIW
Freight Train Kilometres	n/a	2021/22	ORR

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<sup>1</sup> The number of officers / staff data used for the core PSA charge is based on annual core policing budget as approved by the Authority in the December prior to the start of the financial year. This dataset is used for the sub-divisional split of indirect costs in the current methodology. The proposed methodology does not include a sub-divisional split and does not use this dataset.

<sup>2</sup> The finance data used for the core PSA charge is based on the annual core policing budget as approved by the Authority in the December prior to the start of the financial year.

## Appendix D – PSA Holder Classification

Current Classification	New Classification	Operator	Reason for re-classification
Core	Core	ScotRail	TOC – no change
Core	Core	Caledonian Sleeper	TOC – no change
Core	Core	Chiltern Railways	TOC – no change
Core	Core	CrossCountry	TOC – no change
Core	Core	Elizabeth Line - (Crossrail / TfL Rail)	TOC – no change
Core	Core	Essex Thameside (C2C)	TOC – no change
Core	Core	Govia Thameslink Railway	TOC – no change
Core	Core - Open Access	Grand Central	Open Access Operator – no change
Core	Core	Great Western	TOC – no change
Core	Core	Greater Anglia	TOC – no change
Core	Core	Heathrow Express	Open Access Operator – no change
Core	Core - Open Access	Hull Trains	Open Access Operator – no change
Core	Core	London Overground	TOC – no change
Core	Core	Merseyrail	TOC – no change
Core	Core	SouthEastern	TOC – no change
Core	Core	Transpennine Express	TOC – no change
Core	Core	South Western Railways	TOC – no change
Core	Core	Transport for Wales Rail (TfW Rail)	TOC – no change
Core	Core	West Midland Trains	TOC – no change
Core	Core	LNER	TOC – no change
Core	Core	Avanti West Coast	TOC – no change
Core	Core	Northern Trains	TOC – no change
Core	Core	East Midlands Railway	TOC – no change
Core	Core - Open Access	East Coast (Lumo)	Open Access Operator – no change
Core - Infrastructure	Core - Infrastructure	Network Rail	Infrastructure Manager – no change
Core - Infrastructure	Core - Infrastructure	Amey Infrastructure Wales (AIW)	Infrastructure Manager – no change
Core – Station	Core – Station	Heathrow Airport	Station only operator – no change
Core – Station	Core – Station	TfGM	Station only operator – no change
Small PSA	Core – Station	Glasgow Prestwick	Station only operator – re-classified from small PSA to ensure all station only operators are treated fairly
Small PSA	Core – Station	London Southend Airport	Station only operator – re-classified from small PSA to ensure all station only operators are treated fairly
Freight	Freight	DB Cargo	FOC – no change
Freight	Freight	Freightliner	FOC – no change

Small PSA	Freight	Colas Rail	FOC – re-classified from small PSA to ensure all FOCs are treated fairly
Small PSA	Freight	Devon & Cornwall Railway	FOC – re-classified from small PSA to ensure all FOCs are treated fairly
Small PSA	Freight	Direct Rail Services	FOC – re-classified from small PSA to ensure all FOCs are treated fairly
Small PSA	Freight	GB Railfreight	FOC – re-classified from small PSA to ensure all FOCs are treated fairly
Core	LR&T	Croydon Tramlink (London Trams)	Tram – re-classified from core PSA to ensure all LR&Ts are treated fairly
Small PSA	LR&T	DLR (Docklands Light Railway)	Light Rail – re-classified from small PSA to ensure all LR&Ts are treated fairly
Small PSA	LR&T	Nexus (Tyne & Wear Metro)	Tram – re-classified from small PSA to ensure all LR&Ts are treated fairly
Small PSA	LR&T	Travel West Midlands (West Midlands Metro)	Tram – re-classified from small PSA to ensure all LR&Ts are treated fairly
Small PSA	LR&T	SuperTram (Sheffield Supertram)	Tram – re-classified from small PSA to ensure all LR&Ts are treated fairly
Small PSA	LR&T	Strathclyde Partnership for Transport (Glasgow Subway)	Re-classified from small PSA to ensure all LR&Ts are treated fairly
Small PSA	Small PSA	Alstom Transport	Maintenance and Depot – no change <sup>1</sup>
Small PSA	Small PSA	Bombardier	Maintenance and Depot - no change <sup>1</sup>
Small PSA	Small PSA	North Yorkshire Moors	Heritage operator - no change <sup>1</sup>
Small PSA	Small PSA	PRE Metro Operations	Very Light Rail Operator - no change <sup>1</sup>
Small PSA	Small PSA	West Coast Railways	Heritage operator - no change <sup>1</sup>
Small PSA	Small PSA	RTS	Maintenance and Depot - no change <sup>1</sup>
Small PSA	Small PSA	Locomotive services	Heritage operator - no change <sup>1</sup>
Small PSA	Small PSA	Vintage Trains Ltd.	Heritage operator - no change <sup>1</sup>
Small PSA	Small PSA	Rail Adventure UK	Training - no change <sup>1</sup>
Small PSA	Small PSA	CAF UK Rail	Maintenance - no change <sup>1</sup>

<sup>1</sup> These PSA holders do not easily fit into any Sector (Core, Freight, LR&T) of the proposed methodology and include for example, heritage operators, training companies and maintenance companies.



## Appendix E - Glossary

**Activity Codes** (source: BTP) - Codes that are assigned to specific activity types, which officers are required to update to reflect the current activity they are undertaking, for example 'en route to incident' and 'at scene of incident'.

**Crime Volume** (source: BTP) – The number of crimes recorded and allocated to each PSA holder within a financial year.

**Footfall** (source: Network Rail) – The number of passengers accessing a station including people visiting station shopping malls. Data is collated using ticket counters at major Network Rail managed stations. Footfall is used in place of station usage in the existing methodology for these stations.

**Freight Train Kilometres (Freight Train km)** (source: ORR) - The actual mileage in kilometres operated by freight operators on all mainline infrastructure, terminals and yards. The data is sourced from Network Rail's Track Access Billing System (TABS).

**Length of Track (LOT)** (source: ORR) - Data is provided by Network Rail and Amey Infrastructure Wales (AIW). The HS1 line and the Island Line network on Isle of Wight are not included in these figures. The Island Line is leased from Network Rail to First MTR South Western Trains Limited (operating as South Western Railway). The Core Valley Lines (CVL) network was transferred from Network Rail to Transport for Wales on 28 March 2020. Transport for Wales leases its assets to AIW who are the Infrastructure Manager for the Core Valley Lines network.

**Light Rail and Tram Vehicle Kilometres (LR&T Vehicle km)** (source: ORR) - Vehicle kilometres operated are derived from scheduled (timetabled) kilometres, deducting any known lost kilometres. Kilometres run on driver training or special excursions are not included.

**Long Term Charge and Recharge** (source: PSA holders) – The charges paid by passenger operators to Network Rail for recovery of maintenance, renewal and repair costs for stations owned by Network Rail and the portion recharged to operators for use of that station.

**Network Access Charge (NAC)** (source: Network Rail) – The charge paid to Network Rail for using the UK rail infrastructure.

**Participants** – PSA holders that fall within the remit of the existing CAM or proposed new methodology.

**Passenger Journeys** (source: ORR) - estimated using ticket sales data. Where travel requires one or more changes of train, each train used is counted as one journey. For example, a journey from Leicester to Manchester would be classed as two journeys due to the need to change trains. Furthermore, the estimates of passenger journeys do not account for split ticketing. This is where two or more tickets are purchased to complete a single journey. In such cases, each ticket is counted individually in the passenger journey statistics.

**Passenger Kilometres (Passenger km)** (source: ORR) – Core PSA passenger km are calculated by multiplying the number of passenger journeys on a particular flow by the number of corresponding track kilometres between stations. LR&T Passenger km are calculated by multiplying the number of passenger journeys by an average journey length. Average journey lengths are estimated from passenger surveys. Typically, the same figure is used for a number of years, with periodic revisions for example associated with network changes.

**Presence on Network** – Proxy derived as a weighted average of NAC, TTK and SU and adjusted by a proportion of a total number of crimes that occurred on a trackside, train and station respectively.

**Station Usage (SU)** (source: ORR) - The station usage dataset consists of estimates of the total numbers of people travelling from or to the station (entries and exits) and changing trains at the station (interchanges). They are primarily based on sales data from LENNON, the rail industry's ticketing and revenue system. This is supplemented with some local ticketing data. The existing methodology excludes interchanges and certain ticket types including freedom passes and Passenger Transport Executive (PTE) tickets.

**Timetabled Train Kilometres (TTK)** (source: ORR) - The number of kilometres each train operating company will achieve according to the winter and summer train timetable if they are operating at full capacity.

## Frequently Asked Questions

Our FAQs will be updated throughout the consultation period. Please check [the consultation section of the BTPA website](#) for any further additions.

### **Why is the change needed?**

The current CAM was first introduced in 2007/08 and is a very complex model producing volatile outputs resulting in uncertainty and unpredictability for PSA holders. In 2013, BTPA introduced a new Police Service Agreement (PSA) which requires the model to be run twice for each financial year. The proposed change will respond to a desire to simplify this current process.

### **What is different in the proposed methodology?**

The new methodology is simpler than the existing one, with fewer datasets that are more easily available from external sources and more predictable than those used in the existing methodology. PSA holders have been categorised in line with groupings in ORR datasets to ensure charges are more equitable to all PSA holders. The new methodology will not operate on a subdivisional level as in the existing one. Instead, it will split the core policing budget into three sectors (core, freight and light rail and tram) and each of those sectors then split by PSA holder using a relevant proxy. The proposed new methodology is simpler, transparent and more fit for purpose.

### **How will the charges be more predictable in the proposed methodology?**

All datasets to be used in the Tier 1 and Tier 2 sector splits within the proposed methodology are publicly available and it is expected that TOCs will already be aware of any significant operational changes that would impact these datasets.

### **What effect will the new methodology have on officer resources?**

Decisions around the operational deployment of officers is made by BTP, and unrelated to the charges defrayed by the cost allocation model. The core policing budget, agreed annually by the Authority, is also unaffected by the CAM. BTP's annual priorities are outlined in the Policing Plan and PSA holders are invited annually to contribute to discussions around the drafting of these plans.

### **Will there be a wash-up?**

The proposed methodology does not include the need for a wash-up. There would only be one set of charges issued for each financial year, which fits with the simplification and reduction of in-year volatility principles. This should help with future financial planning for PSA holders as it removes any impact of a wash-up in future years.

### **What if I don't agree with the proposals?**

The introduction of a new methodology for 2024/25 will require affected PSA holders to agree. The existing methodology will continue to be used to defray core costs for policing the railway until the new methodology can be implemented.

### **When will these changes come into force?**

It is the intention to have in place a new methodology for the 2024/25 charges cycle. Contractual arrangements will need to be finalised before the new methodology can be implemented and this will impact the date on which these changes come into force. Work is being performed on the 2024/25 charges using the existing methodology in parallel as a contingency measure.