

## Frequently Asked Questions

*(Updated 23/10/23)*

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

The current Charging Allocation Model (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?**

The datasets used in the existing model can sometimes produce unpredictable results year-on-year. Using fewer, more predictable datasets should help PSA holders to forward plan financially and not be surprised by their charges. All datasets to be used in the Tier 1 and Tier 2 sector splits within the proposed methodology are publicly available, meaning TOCs will likely already be aware of any significant operational changes that would impact these datasets.

### **Why is distance being used as a metric for freight services?**

The charges for passenger services are decided based on passenger kilometre data for each operator, so charging freight operators based on distance travelled would be comparable.

### **How will my charges compare under the new model?**

We have published [a worked example on our website](#) that shows how the new model would calculate the PSA charges.

### **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 do you need from me if I am happy to proceed with the preferred methodology?**

We would appreciate if you could answer all five questions listed in Appendix A in writing to [Btpa.consultation@btp.police.uk](mailto:Btpa.consultation@btp.police.uk) by Tuesday 7 November 2023. We will follow up in due course with our response to the consultation.

**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.