



NATIONAL POLICE AIR SERVICE STRATEGIC BOARD

Meeting No. 3 – 12th December 2013
Ploughland House, Wakefield WF1 1DL

Minutes

Attendees

Name	Representing
Mark Burns-Williamson (MBW)	Police and Crime Commissioner for West Yorkshire – Lead Local Policing Body
CC Alex Marshall (AM)	CEO College of Policing (by 'phone)
Ron Ball (RB)	Police and Crime Commissioner for Warwickshire – Central Region
Linda McMullan (LM)	MoPAC – Director of Resources Representing Annabel Cowell – London Region (by 'phone)
Christopher Salmon (CS)	Police and Crime Commissioner for Dyfedd Powys - South West Region
Fraser Sampson (FS)	Chief Executive – Office of Police and Crime Commissioner for West Yorkshire
CC Mark Gilmore (MG)	West Yorkshire Police – Lead Local Chief Constable
Judith Heeley (JH)	Chief Finance Officer - Office of Police and Crime Commissioner for West Yorkshire
Cmdr Dave Martin (DM)	Metropolitan Police Service – Representing Cmr Sir Bernard Hogan-Howe - London Region (by 'phone)
CC Sir Peter Fahy (PF)	Greater Manchester Police – North West Region
ACC Jon Boutcher (JB)	Hertfordshire Police – Representing CC Colette Paul – South East Region
Supt Simon Hawkins (SH)	Hertfordshire Police – Representing CC Colette Paul – South East Region
Ch Supt Caroline Peters (CP)	Avon & Somerset Police – Representing CC Suzette Davenport Gloucestershire Constabulary – South West Region (by 'phone)
Anthony Stansfeld (AS)	Police and Crime Commissioner for Thames Valley - South East Region (by 'phone)
Shaun Wright (SW)	Police and Crime Commissioner for South Yorkshire – North East Region
CC Dave Jones (DJ)	North Yorkshire Police – North East Region

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John Dwyer (JD)	Police and Crime Commissioner for Cheshire – North West Region
Richard Pickering (RP)	Home Office
Ziggy MacDonald (ZM)	Home Office
Ch Supt Ian Whitehouse (IW)	NPAS Accountable Manager
Cpt Ollie Dismore (OD)	NPAS Director of Flight Operations (by 'phone)
Susan Carte (SC)	NPAS Business Development Manager (by 'phone)
Supt Richard Watson (RW)	Director of Ground Operations
Simon Newman (SN)	Home Office - NPAS Programme Lead
T/Ch Insp Marcus Cator (MC)	Hampshire Police
Peter Stacy (PS)	Home Office - NPAS Project Support Officer

Apologies

Name	Representing
CC Neil Rhodes (NR)	Lincolnshire Police – Central Region

1 Welcome & introductions

- 1.1 MBW opened the meeting, explaining that the location had moved back to the Office of Police and Crime Commissioner for West Yorkshire at the last moment as a result of the rescheduling of other national meetings running in parallel. A number of members joined via telephone link as a result.

2 Review of Minutes/Actions From Last Meeting

- 2.1 Minutes were **agreed** as accurate.

3 Update on Police Scotland

- 3.1 MBW outlined the tragic loss of life at the recent Police Scotland helicopter crash in Glasgow, formally recording shock & sincere sympathies. MG supported this, adding that he had received a request for Mutual Aid from Police Scotland, with NPAS moving a helicopter & crew to Prestwick airport, with an associated MoU being put in place to support air operations there. MBW went on to state that the CAA had advised that there was no immediate need to ground any of the similar helicopters operated in the NPAS fleet. AS asked if anything should be included in the NPAS risk register, IW responding that a decision had been taken not to ground the NPAS fleet, with mitigating actions taken that relevant helicopters carry more fuel in the interim. NPAS operations for Police Scotland ceased yesterday as Bond had recommenced operations there. MBW advised members that IW was approved as Accountable Manager by the CAA on December 9th. It was also **agreed** that, in order to be quorate, the meeting would need a relevant representative from each Region which was the case

4 Finance

- 4.1 Letters to Home Office/Capital Discussions. IW outlined the letter that had been sent by AC Mark Rowley MPS to the Police & Criminal Justice Minister Damian Green outlining concerns raised around the current inability to roll over NPAS capital into future years. ZM responded that the policy of any capital monies not spent in the

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current financial year being clawed back has been in place for many years for specific police grants, explaining that he has entered into dialogue to emulate more flexibility but to stay within the current Treasury rules, which may help with issues around the brought forward capital credits proposal paper which will also be discussed today. He then went on to outline a proposal whereby the Home Office (HO) would seek by month 7 a full year capital forecast from West Yorkshire Police (WYP) with any forecast underspends being returned to the HO & **NOT** the Treasury at quarter 4 of the financial year. This would mean that if a £3m capital underspend is forecast in the current year this would be clawed back & then added to the proceeding financial year. JD stated that it would be useful if this proposal could be committed to paper by the HO. ZM said that he had already written to FS outlining this & that he was willing to share this with JD also. LM felt that she could see this as a workable solution, but would like to see it tidied up with the National Audit Office, ZM **agreed** to do this. MBW built on the proposal stating that it must be workable to help effectively operate the Service & cannot expose it, or the host OPCC/police force, to financial risk. SW expressed concern at project costs (specifically staff costs) being charged as capital, ZM responding that this is allowable & is a choice to be made locally. MBW went on to say that there were also issues raised in the MPS letter around operational coverage, DM replying that the MPS was working with the NPAS project team & other specifics would be covered by other items in today's agenda. MBW made it clear that that he wished to resolve issues raised by the MPS to ensure sign up of the Section 22 Agreement by October 2014. RP supported this, adding that it was clear that Ministers want to get NPAS right & that they would wish to get involved along with HO officials.

JB then went on to say that there were linkages into the MPS letter, explaining that at the NPAS Independent Assurance Group (IAG) he had highlighted the fact that the South East Region is an asset short & a letter signed by all CCs in the ACPO Eastern Region regarding this, seeking an innovative solution to this issue had been sent to MG. MG was keen that the NPAS team worked locally with the Eastern Region on an interim solution, by moving an NPAS airframe to that area, but with Bedfordshire & Hertfordshire forces providing local officers & contributing to the additional costs involved. He made it clear, however, that WYP had inherited an imperfect operational model without accurate base costs being available to make a thorough assessment.

4.2 Brought Forward Capital Proposal. SC introduced the paper, explaining that it was not based on the most recent discussions that have been held with the HO, adding that capital credits have been brought forward previously & that this would help reduce the 2013-14 capital shortfall. CS felt that there were 2 separate issues that need to be considered before taking a decision on this:

- If this policy is carried out over a long period of time, a point would be reached when no further credits could be brought forward. SC accepted that this is an ongoing issue, explaining however that there is a 15 year period in which to review this.
- What happens to the remaining £1.7m capital underspend? ZM responded that there is not an option for 2013-14 as these figures are already lodged with the Minister, a different proposal would

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- 4.2 New NPAS Funding Formula. SC introduced the paper, explaining that a new formula is due to be introduced at the end of the current CSR & that it's unlikely that any one model will suit everybody, although she did expect that members might suggest further proposals than those outlined in the paper. MBW agreed that it might be difficult gaining a consensus, suggesting that it might be better to set up a Sub Group to consider the issue in a fresh light. LM Agreed this approach, stating that whatever proposal was agreed would need to be agreed with both the MPS & MoPAC.

Action 3.1 CS to chair Sub Group to review the NPAS future funding model

Discussion continued with CS saying that the sooner we engaged with people the sooner we would be likely to reach agreement on the final model, SW considering that specific issues need to be introduced before the new formula commences in 2015 as follows:

- That the model reflects operational usage
- There is a damping arrangement
- There is an estates fixed cost formula & revenue is considered separately

ZM advised that the HO directorate team are reviewing the current formula & would be willing to lend their expertise, this offer was **accepted** by Board members. RB believed there should be a 2 stage process; with the Sub Group producing initial recommendations for all Board PCCs meeting to consider the proposal & then discuss with all Regional PCCs, SW adding that the Board needs to reaffirm the current principle that the existing funding model is not acceptable for the future. AM offered to work with the sub group & explain the issues that been discussed before forces/PCCs had agreed to join NPAS in principle. It was **agreed** that RB would join the sub group as an independent representative.

- 4.3 2013/14 Revenue Budget. SC explained that the overspend for the year had now moved to £3.9m & that an approach had been made to the HO to fund this shortfall, ZM asking what the Service would do if there was no HO to approach to fund this. IW replied that there were levers that could be used in the Section 22 agreement, but a point could be reached where flying hours would have to be capped. ZM asked if there had been a hole in the budget from day 1, SC replying that there had been difficulties in sourcing the original numbers from forces & that the new funding model was an opportunity to reallocate costs effectively to forces. MBW added that overall true costs can't be assessed until all forces have joined NPAS, which is why he requires assurance & underwriting of costs from the HO during the early journey of the Service. ZM asked if the financial risk was borne by the Office of the WYPCC, JH replying that the Section 22 agreement allows WYPCC to recover overspends from individual forces. AS added that operational capacity along with numbers of aircraft could also be reduced, with CS asking if all solutions to reduce the overspend had been considered, pointing out that all management levers must be used e.g. charging revenue spend to capital if allowable to reduce the financial gap. PF felt that NPAS needs to review the current

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overspend, consider options to reduce costs & then advise all forces/PCCs that there is a risk of a potential NPAS revenue overspend. ZM considered that as NPAS was a project early in its innovation, Ministers might review funding favourably, but a robust case must be given that the financial shortfall would not be a recurring one in future financial years. AM said that as there are still 4 forces/PCCs yet to sign their Section 22 Agreements, he would be happy to be involved in meetings with Ministers & HO officials to outline these issues. JD asked what the cost to forces would be if the funding shortfall wasn't received from the HO, IW replying that this would be based on the current funding formula. RB stated that if Regional PCCs are advised of this issue that they would need to be shown the details of why NPAS is in the current shortfall position, SW adding that he felt that any such communication should come from NPAS.

Action 3.2 SN/IW to assist in drafting a letter to all PCCs advising them of a potential overspend in the 2013/14 NPAS revenue budget

- 4.4 2013/14 Capital Budget. Discussion followed on the 2013/14 capital underspend & it was **agreed** that capital credits could be brought forwards into 2012/13.
- 4.5 2014/15 Revenue Budget. SC explained that there was still a shortfall in the revenue budget & that if the Innovation Fund application to the HO was approved this could reduce to £2.4m. CS was uncomfortable at signing off an overspend for 2014/15, MBW supported this adding that with other issues discussed at the Board today, it would be difficult for members to approve the proposed budget at this moment in time. SC reiterated the point that if all the potential savings from the Innovation Fund application were made, a balanced budget could be achieved, CS replying that an unbalanced budget could not be agreed based on other possible savings that might or might not be achieved. IW pointed out that procurement opportunities **£10.5m** for parts will help to deliver these savings, CS responding that a budget cannot be built on unfirm foundations. Discussion followed on the fact that NPAS savings would need to be made as in all other areas of policing, with JB stating that it needs to be understood that air support cannot be based on a postcode lottery; RW accepting that bases are not necessarily where they are needed to be. SC explained that work was ongoing to ensure all forces joined NPAS, deliver Business as Usual & a new model going forwards; if fixed costs are cut affecting a large part of the overall cost base, this will have an impact on those forces that have not yet joined NPAS. MBW stated that the Service will need to reduce costs accordingly. RB was concerned that NPAS would suffer unduly, when forces would have been in a far worse position if air support bases were still being run separately. IW added that if the budget position didn't improve, NPAS would have to consider proceeding with the original ACPO 11 base operational model with fixed wing aircraft, PF replying if this was a valid proposal it should be brought back to ACPO Chiefs' council to re-consider in the same way as other pressing operational realities that chief constables were dealing with every day.

After further discussion the Board **agreed:**

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- **NOT** to approve the 2014/15 revenue budget &
- That a balanced budget **MUST** be produced

JD said that as the next Board was not until April 2014, an interim budget approval solution was required either by an additional formal extraordinary meeting or for members to agree the budget off-line. PF was happy for an off-line solution, but that support is needed to take key decisions, offering to explain this to ACPO Chiefs' Council so that chief officers were aware of the operational consequences of potential budget cuts. DJ considered that NPAS was in a transitional position & that although appropriate financial savings might be achieved in the next 18 months, the HO had to be aware that to get remaining forces/PCCs signing their Section 22 Agreements to join NPAS, the current revenue shortfall did need to be funded. AM explained that a cautious budget had been produced with options that may bring it back on line; if all these planned benefits do occur a balanced budget will be achieved, but this was **Not** inevitable. MBW supported this, adding that members need to be mindful of the financial pressures on policing as a whole. FS outlined the conditions attached to West Yorkshire becoming the Lead Local Policing Body by the former Authority and the impact on WYP in its role as lead force, the key criterion being that WY had only agreed to help the HO by becoming responsible for hosting NPAS on the basis of the mandation represented by the Order laid before Parliament. Were that situation to change, that the Lead Local Policing Body might need to reconsider its position, particularly in light of the undertakings given by the WYPCC to the Police and Crime Panel around any adverse impact on West Yorkshire. The involvement of the HO was a condition precedent to the WYPCC continuing to discharge the responsibilities of the Lead Local Policing Body under the s.22A agreement and was absolutely crucial to its continuing to do so. ZM said that the HO could help with this issue, but the work discussed earlier in the meeting had to be undertaken; Ministers/HO officials would require a rigorous Business Case to this effect, confirming that there will not be recurring future budget shortfalls, requiring additional HO funding. DJ felt that the ultimate solution is to charge forces extra to balance the budget, FS responding that Board members have to take this decision.

Action 3.3 The Office of the WYPCC to arrange an extraordinary Board meeting to discuss/approve the 2014/15 NPAS revenue budget in February 2014

IW felt that those forces/PCCs that had not yet joined NPAS do need to attend this meeting as decisions made will impact on them. It was felt that the HO needed to be approached regarding this issue, requesting them to exert pressure on those forces/PCCs that have not yet joined NPAS to do so. IW asked for support for the work required to produce a reworked/balanced revenue as this was an example of where there could be a single point of failure & reiterating the reasons why the Innovation Funding bid has been submitted to the HO.

- 4.6 2014/15 Capital Budget. SC explained that the proposed budget does take into account the bringing forward of capital credits that Board members had agreed earlier at item 4.2, but that not all development decisions have yet taken place. MBW supported the

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paper, making it clear that other discussions would need to be factored in, but that as the budget was balanced, he felt that it could be approved. After further discussion, Board members agreed the 2014/15 capital budget in principle.

5. NPAS Business Plan

- 5.1 IW explained the need for a Business Plan & that a draft document had been produced through numerous planning days/workshops, although there are likely to be some minor amendments required after a recent local NPAS audit carried out by the CAA. CS felt that there was excessive complexity to the current governance structure, which would benefit from a clearer explanation, DJ adding that he was not sure if the overall connectivity was quite right.

6. Future Model/Development

- 6.1 IW opened discussion, explaining that discussions had been held with HO economists in terms of how to provide an evidence based model approach. It would be very helpful if Board members could prioritise their views from the list of criteria (included as an annex to the paper) as this would help in developing the future model. MBW asked if a Sub Group was required to help develop the model further, particularly due to the key linkages with funding. It was agreed that this work might be managed through the Sub Group set up at item 4.2 subject to its agreed terms of reference.

Action 3.4 SN to circulate the NPAS Future Model paper to all forces/PCCs, asking them to submit their prioritised views of the list of criteria annex to the NPAS project team

7. Project Update

- 7.1 SN advised members that 37 S22 Agreements were now signed, with 6 outstanding, explaining the current position of those still outstanding on a regional basis as follows:
- 7.2 London Region. The MPS were now due to join NPAS in October 2014. Positive progress was being made & a further meeting is due to be held on January 10th 2014 to agree an implementation plan. DM said that the new future funding model was the key to the MPS joining NPAS & if this was available for them to have sight of by February 2014, it would prove helpful
- 7.3 South West Region.
- Dyfed Powys Police (DPP). A further proposal had been produced by the team which will inform a Business Case based on a partnership with Airframe. This should allow the force/PCC to sign their Section 22 Agreement.

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- Wiltshire. SN had spoken to the Chief Executive of the Office of the Wiltshire PCC who had been concerned at being capital top sliced in advance of joining NPAS. This has now been resolved & he expects them to sign their Section 22 Agreement in January 2014.

7.4 North East Region.

- Humberside. SN said that they will join NPAS in September 2016 & he expected them to sign their Section 22 Agreement in January 2014.

7.5 Other Project Issues.

- The new Bournemouth air base is due to be built by March 31st 2104, which will provide a better service to Hampshire/Dorset.
- The decision on Honington air base had been put on hold as this links in with issues raised by the 6 Chief Officers of the ACPO Eastern Region within the NPAS South East Region.
- The project ends at the end of March 2014 & the team will roll of then, although there are some final pieces of work which need to be completed as follows:
 - Final gateway review including the conditions against which the Lead Local Policing Body had undertaken the responsibilities
 - Refreshing of Section 22 agreement, which will be for typographical/formatting errors only. It will **Not** affect the terms/legality off the document.
 - A document using NPAS as a worked example for HO guidance on national collaboration
 - Build of new Bournemouth air base
 - Lessons learned & Post Implementation Review documents
- SN then explained that this would be his last attendance at Board meetings as he was moving on to a new role overseas. MBW wished him well in his new job & thanked him for all the work he has done while on the NPAS project. JD said there was a need to not give a false impression that the project ends in March 2014 as the Service still needs to complete the project. IW supported this, stating that there was a significant amount of work that still needed to be completed to finish the project & that it was vital to have an official at the right level in the HO to act as a key contact. RP agreed that this was critical. JB considered that a piece of communications work needed to come from MBW outlining the project work that had been completed, what still needed to be completed & needed to make clear what the current position was in terms of the deliverables that the project had not been able to effect.

8. ACPO TAM Representation

- 8.1 DM explained the issue around the need for Chief Officer TAM representation on the Board at a national level & the work that has already been undertaken around CT. PF offered to take this issue back to ACPO TAM

Action 3.5 PF to discuss the requirement for national ACPO TAM representation on the NPAS Strategic Board at ACPO TAM

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9. Update on NPAS Operational Performance

9.1 RW outlined the following performance issues:

- Operational problems in the ACPO Eastern Region of the South East Region had been discussed at the November Independent Assurance Group (IAG).
- Generally NPAS is delivering a good operational service to forces.
- Operational flying hours are below budget due to improved processes that have been put in place.
- There are likely to be performance pressures next year in terms of aircraft availability, due to upgrade programmes which are about to commence.

10. NPAS Risks

10.1 IW explained that there were Service risks which had already been discussed during the meeting that were dynamic. These were discussed weekly at the Senior Management Team (SMT) meetings & will be separated in future between flight safety & operational ones. DJ was concerned that project risk did not reflect true risk, SN replying that risks had been separated between project & lead force risks. DJ countered, saying that there should be 1 combined risk register produced for Board members to review in terms of delivering a national air service.

11. St Athans, South Wales

11.1 IW explained that SN had already covered this during his project update at item 7.3, but there was now a need to move the issue forwards in terms of reconfiguring the service

12. Any Other Business

12.1 AM advised members that there had been interest from the Fire Service during recent service disruption by industrial action regarding NPAS conveying their staff & they may be seeking to review this in the future.

13. Date of Next Meeting

13.1 The next meeting will be an extraordinary one to be arranged by the Office of the WYPCC in February to approve the 2014/15 revenue and capital budget. Members will be advised of re-arranged Meetings for the rest of 2014 in due course. JD expressed concern at the volume, timescales & quality of documents that had been circulated for this meeting, PS explaining that this had been in part due to the HO firewall allowing emails to be sent only within specific size limitations.