



NATIONAL POLICE AIR SERVICE INTERIM STRATEGIC BOARD

**Meeting No. 1 – 25th March 2013
2 Marsham Street**

Minutes

Attendees

Name	Representing
Mark Burns-Williamson (MBW)	Police and Crime Commissioner for West Yorkshire – Lead Local Policing Body
CC Alex Marshall (AM)	College of Policing
Ron Ball (RB)	Police and Crime Commissioner for Warwickshire – Central Region
John Dwyer (JD)	Police and Crime Commissioner for Cheshire - North West Region
Sarah Easey (SE)	MoPAC – London Region
Christopher Salmon (CS)	Police and Crime Commissioner for Dyfedd Powys - South West Region
Anthony Stansfeld (AS)	Police and Crime Commissioner for Thames Valley - South East Region
Shaun Wright (SW)	Police and Crime Commissioner for South Yorkshire - North East Region
Fraser Sampson (FS)	Chief Executive – Office of Police and Crime Commissioner for West Yorkshire
ACC Mark Milsom (MM)	NPAS Accountable Manager
Supt Richard Watson (RW)	NPAS Director of Ground Operations
Ollie Dismore (OD)	NPAS Director of Flight Operations
Simon Newman (SN)	NPAS Programme Lead
Ch Supt Ian Whitehouse (IW)	West Yorkshire Police
Jamie Smith (JS)	APCC
Peter Stacy (PS)	NPAS Project Support Officer

1 Welcome & introductions

- 1.1 MBW opened the meeting, explaining that this interim meeting of the Strategic Board was being held simply to agree the revenue & capital financial budgets for the National Police Air Service (NPAS) for 2013-14.

Agreed that only police and crime commissioners (PCCs) would have the right to vote on budgetary matters.

2 Purpose of the Interim Strategic Board (SB) Meeting

- 2.1 MBW introduced the briefing material provided by the Association of Police & Crime Commissioners (APCC) which was agreed as being comprehensive & useful. The provenance of NPAS was noted

RESTRICTED

and on the abolition of the National Policing Improvement Agency (NPIA) West Yorkshire Police Authority had agreed that it and the West Yorkshire Police would assume responsibility for governance and operation of NPAS.

- 2.2 It was noted that the budget under consideration related only to the current Comprehensive Spending Review and that West Yorkshire PCC as the lead local policing body was committed to drive a sustainable service.
- 2.3 There was a discussion about the substantive Chair of the Strategic Board. MBW proposed that this be agreed at the first meeting of the Board and was invited by SW to stand. MBW advised that he would be prepared to put his name forward because he was the Lead Local Policing Body with accountability for the governance of NPAS and also as he had been involved in the creation and establishment of NPAS both regionally and nationally. AS stated that he would be putting his name forward for Chair owing to his extensive aviation knowledge/experience.

3 Background to NPAS & Current Budget Status

- 3.1 AM introduced the briefing papers summarising the current position, noting that the original proposal had been to move from localised air operations to a national service in terms of resilience & costs. He explained that the phased introduction had been a consequence of the Civil Aviation Authority (CAA) which had an impact on the project from a budget perspective. He outlined further issues as follows:

- Owing to discrepancies in what police forces were paying for air support, the current model ensured that all forces will pay less than they currently do. Members will receive detail of a new funding model in the future.
- On moving to a national model, fewer flying hours would be required by forces. Since the first 2 regions had joined NPAS from October 2013 this assumption had been borne out. Forces would only need to use 10% fewer than budgeted flying hours to meet the current shortfall; based on current usage this was likely to happen.
- If only 2 fixed wing aircraft are introduced to the fleet, this will save £3m. This will be a decision for the Board.
- Performance at local level had been difficult to understand, but data now being provided at a national level will give robust information on what decisions to take for the future of NPAS.

RB felt that the current NPAS Regions did not feel logical. It was recognised that they had been set up from an operational/regional context (e.g. a Wales region had originally been considered, but North Wales Police had a better strategic/operational fit with the other North West Region police forces). There was a discussion as to whether the Regional structure could be reviewed by the Board and MBW said that this could be reviewed by members at the first full meeting of the Board [AGENDA].

4 Revenue Budget & options for Reducing Overspend

- 4.1 MM introduced the paper, explaining the increase in budgeted revenue overspend, focusing on CAA requirements & the move of

RESTRICTED

UK aviation to a new regulatory framework under the European Safety Agency (EASA). A discussion around the number of CAA nominated posts followed and an exploration of any lessons that might be learned from other jurisdictions such as Germany. OD advised that NPAS was fundamentally set up in the same way, operating under the same strict operating regime for civil aviation. SW asked how many staff were employed for the additional £1m. MBW said that he was discussing the staffing and governance arrangements with the new Chief Constable of West Yorkshire Police to ensure the arrangements represented value for money.[ACTION] SW advised that he could not give approval to the budget without the detail and transparency around all costs and that he would require further assurance on how the budget deficit is to be closed. AS asked about the skills and experience of NPAS staff in relation to negotiations with the CAA. AM advised that he had spoken to the Chair of the CAA on occasions & that NPAS relies on the aviation skills/experience of OD the Director of Flight Operations. MBW asked if a CAA representative should sit on the SB.

Agreed that this was **not** required.

4.2 Flying Hours. MM explained the experience in the North West Region, before and since joining NPAS. The North West Air Operations Group had reduced its flying hours but **not** service provision. SW observed that, of South Yorkshire's 1200 budgeted flying hours, 700 were used reactively & the remaining 500 he would want to use proactively. If flying hours were cut, this would directly impact on his manifesto commitment and it was therefore critical that the force use all its hours. MM advised that only 2 forces in NPAS were using more than their budgeted hours, with the rest flying under allocation. SW pointed out the risk to NPAS that if fewer hours are currently being used, forces and their PCCs may want to reduce their future budgeted hours. This will have a significant impact on the overall budget and affecting the viability of NPAS. AS added that forces should only pay for the hours they used and asked why NPAS uses helicopters when fixed wing aircraft were often better suited to the tasks and cost far less than helicopters. MBW agreed and said the Board would need to agree on how to move this forwards. CS asked if forces would receive a rebate if they under flew. AM advised that the terms of the statutory agreement do **not** allow a rebate, but the Board might review this. CS felt that this would give PCCs and their forces the incentive to use all their budgeted hours.

4.3 Costs/Future Funding Model. JD raised the issue of fixed versus variable costs, stating the need to determine a future funding model. OD agreed, advising that this would be a decision for the Board, adding that the NPAS cost base is split to 70% fixed versus 30% variable costs. SW was concerned that there were another two years before the next Comprehensive Spending Review (CSR). AM said that he had already committed to a new funding model **within** the next two years, but would take a steer from the Board on when this new model should be introduced. CS asked how flexible the NPAS model was and whether final end use was considered, adding that he believed that NPAS currently provided an 'insurance' service rather than a commercial service. He felt that with the more efficient regions joining NPAS first, the impact of

RESTRICTED

the less efficient joining would have to be considered. AM advised that there will be more efficient usage, but historic performance showed that forces have generally under flown. There was also a need to challenge the uses of police aircraft, for example when there are search and rescue resources in the same locality that could be used for non police activity. MM suggested that although Dyfed Powys Police was not transferring into NPAS with the rest of the South West Region in July 2013, its data could be fed into the NPAS performance system, to understand their operational requirements.

SW asked NPAS to supply historic hours used information, along with capital/revenue costs for each force [ACTION].

There was a discussion on the role of the NPAS Independent Assurance Group set up under the governance structure within the statutory agreement. MBW asked if someone from the West Yorkshire Office of the PCC should sit on this Group from an audit perspective. MM made it clear that the IAG was an operational Group and did **not** take any key decisions. AS reiterated his view regarding overall costs, stating that a fundamental rethink was required, citing the example of joint usage of police/air ambulance aircraft. AM explained that NPAS was looking at combined despatch in the future. A revised operational model had not yet been assessed, as the current one is just a starting point. MBW and FS advised of the conditions attached by the West Yorkshire Police Authority to its agreeing to become the Lead Local Policing Body and approving West Yorkshire Police to be the Lead Force.

4.4 MBW summed up, asking if members had any further questions before a decision was taken. Further issues raised were as follows:

- Fixed Wing Aircraft. AS asked why NPAS could not consider adding four fixed wing aircraft to the fleet. OD advised that this would not be practical in the short term owing to the long acquisition timescales. He was also concerned that if this issue was moved on too quickly, it might jeopardise sign up to NPAS which has to operate in totality in order to achieve its strategic outcomes.
- Flying Hours. AM made it clear that NPAS will **not** currently be asking individual PCCs and their forces to reduce their flying hours, but will be monitoring overall usage through performance management. AM had spoken to a Home Office official who suggested that it might consider funding any over spend if an over-budget forecast were made half way through the 2013-14 financial year. There was therefore no need to take strict action now. MBW thanked AM for this clarification as this was important from the Lead Local Policing Body position in terms of its exposure to financial risk. FS supported this, asking if a senior Home Office financial representative not below SCS level be invited to Board meetings so that the Home Office had a clear understanding of the financial issues facing the Lead Local Policing Body and the NPAS project.
- Future Models. CS accepted the need to look at a future funding model, but also felt it would be useful to look at a future service delivery model in terms of range and access to the overall service (e.g. the potential to "stretch" service range into Dyfed Powys at non-increased cost). He asked what

RESTRICTED

percentage of the overspend was notional. AM advised that NPAS would need to monitor this, but it could be around 10% giving a saving of around £2m.

Agreed to invite a senior Home Office financial representative (not below SCS level) to Board meetings [ACTION]

5. Capital Budget & Planned Expenditure for 2013-14

- 5.1 MBW suggested that members discuss the capital budget paper, before moving to a decision on both revenue & capital budgets for 2013-14. MM outlined the main themes of the paper, explaining that he would be submitting more detail to the first Board meeting on 15 May. Members noted that approval for continued drawdown of the existing capital budget was all that was being requested at this stage. AM explained that capital rules could be applied so as to require the NPAS budget to be spent by the end of the 2012-13 financial year. Discussions with the Home Office indicated that as much of the NPAS capital budget should be spent in this financial year. He reported that the Home Office had intimated that if they were to claw back any underspend, they would seek to reimburse this in 2013-14. MBW noted that NPAS 2012-13 capital funding was currently shown as being held by Hampshire Constabulary, while this should say the Police and Crime Commissioner for Hampshire; he also asked if this would be moved to the Police and Crime Commissioner for West Yorkshire. AM confirmed that this will happen.[ACTION]
- 5.2 Humberside. SW ASKED FOR clarification on the current position regarding signature of the statutory agreement. MM explained that the advice originally received from Humberside Police about its aircraft was inaccurate and it had become clear that the force was operating under a financial lease. He went on to explain the detail of negotiations with the lessor to purchase the aircraft on a 5 year lease through a capital route. If successful, this option would save revenue of £300k/year. SW queried the effect of this on Humberside's costs and OD advised that there would be avoidance of costs in terms of role equipment and engines.
- 5.3 Service by the Hour. MM explained that the NPAS team were negotiating with those PCCs and their forces who have not yet signed their statutory agreements in terms of partial compensation of existing Service by the Hour contracts that they currently held. He asked for approval to move forward on this proposal, explaining that the majority of the PCCs and forces affected by were in the Central Region and it would help to gain appropriate sign up to NPAS.

Agreed to move forward on partial compensation for existing Service by the Hour contracts as appropriate.

6. Approval of NPAS 2013-14 Capital & Revenue Budgets

- 6.1 MBW requested that members move to a decision on the approval of NPAS revenue & capital budgets for the 2013-14 financial year. SW stated that he was willing to approve all recommendations made in the reports **except** for recommendation 4.2 in the revenue paper "that additional contributions from forces are sought for the

RESTRICTED

specified costs, highlighted in this report e.g. the Winsor associated costs”.

He also requested that two additional conditions be added before he could approve both budgets as follows:

1. That within the next 12 months, the NPAS team present to the Strategic Board for its consideration a revised delivery model, specifically to include the move to a mixed aircraft fleet.

2. That the NPAS team present to the Strategic Board a fairer future funding model for its consideration.

Agreed the NPAS revenue & capital budgets for the 2013-14 financial year, subject to the amendments made in 6.1 above.

7. Any other Business

7.1 Minutes. SW asked that a full set of minutes be produced for the meeting as he needed to share outcomes with other PCCs within his Region.

7.2 Governance. It was felt that proposed processes around both accountability and governance need to be presented to the Board to agree a way forward. SN responded that a full set of Terms of Reference will be presented to the initial Strategic Board for its consideration on 15 May [ACTION/AGENDA]

7.3 Presentation of Papers. MBW asked that in future all papers be circulated to members at least a week before meetings take place. CS requested that all future papers be much clearer and substantial in their format, especially in relation to financial budget issues [ACTION].

Agreed that a full set of minutes would be produced and sent to members. FS noted that PCCs were required to publish information on key meetings and decisions they have attended and that PCC members of the Board should take local advice on how their involvement in NPAS Strategic Board activities should be addressed. Owing to the sensitive/commercial nature of some of the matters under discussion, PCCs may need to consider how to include redacted versions locally.[ACTION]