



NATIONAL POLICE AIR SERVICE (NPAS) STRATEGIC BOARD

2 April 2014
Ploughland House, Wakefield

Minutes

Attendees

Name	Representing
Mark Burns-Williamson OBE (MBW) Chair	Police and Crime Commissioner for West Yorkshire – Lead Local Policing Body
CC Mark Gilmore (MG)	West Yorkshire Police – Lead Local Chief Constable
Fraser Sampson (FS)	Chief Executive – Office of Police and Crime Commissioner for West Yorkshire
Ch Supt Ian Whitehouse (IW)	NPAS Chief Operating Officer
Oliver Dismore (OD)	NPAS Director of Flight Operations (by 'phone)
Anthony Stansfeld (AS)	Police and Crime Commissioner for Thames Valley - South East Region
Ch Supt Mike Colbourne (MC)	Bedfordshire Police – Representing CC Collette Paul – South East Region
Christopher Salmon (CS)	Police and Crime Commissioner for Dyfed Powys - South West Region
CC Suzette Davenport (SD)	Gloucestershire Police - South West Region
Ron Ball (RB)	Police and Crime Commissioner for Warwickshire – Central Region
CC Neil Rhodes (NR)	Lincolnshire Police - Central Region
Shaun Wright (SW)	Police and Crime Commissioner for South Yorkshire - North East Region
AC Mark Rowley (MR)	Metropolitan Police Service – Representing Cmr Sir Bernard Hogan-Howe - London Region (by 'phone)
Cmdr. Dave Martin (DM)	London Region (by 'phone)
Lynda McMullan (LM)	Mayor's Office for Policing and Crime – London Region

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John Dwyer (JD)	Police and Crime Commissioner for Cheshire – North West Region
ACC Ian Wiggett (IW)	Greater Manchester Police – North West Region. Representing CC Mark Polin
CC Alex Marshall (AM)	Chief Executive Officer – College of Policing
Judith Heeley (JH)	Chief Finance Officer – West Yorkshire Office of Police and Crime Commissioner
Susan Carte (SC)	NPAS Business Development Manager
Mark Reeves (MR)	NPAS Financial Accounting & Projects Manager
Supt Richard Watson (RW)	NPAS Director of Ground Operations
Richard Pickering (RP)	Home Office (by 'Phone)
Supt Tyron Joyce	NPAS Programme Director
ACC Rob Price	Kent Police – South East Region (by 'phone)
ACC Sean White (SW)	Cleveland Police – North East Region
Ian Tookey	NPAS Project Manager
David Floyd	Home Office
Daniel Livingstone	Home Office

Apologies

Name	Representing
CC Dave Jones (DR)	North Yorkshire Police - North East Region
CC Mark Polin (MP)	North Wales Police - North West Region
CC Collette Paul (CP)	Bedfordshire Police – South East Region
Cmr Sir Bernard Hogan-Howe (BHH)	London Region

Due to telecommunication issues the meeting started at Agenda item 8.

1. Apologies
2. Review of actions. Please see Actions list
3. Review of the last minutes - The minutes were reviewed as accurate.
4. Review of the Extraordinary Budget Minutes.

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ACTION: Amend minutes on the Extraordinary Budget Minutes to clarify entry around the discussion of SBH.

Introductions took place at this point due to earlier telephony technical issues.

5. Future Funding Model Paper

CS explained that the starting point was to work on sensible principles rather than specifics and that communication was key. The funding model needed to be fair and transparent in order to give confidence to the PCCs and CCs. CS stated that the model needed to be flexible to accommodate future changes.

Considerations for the Board - is the Board content with the fixed variable split, and is the Board content if it is variable, that variable costs are charged by the hour? The Home Office formula was analysed for the fixed cost part but did not reflect NPAS costs. A cost based model was also analysed i.e. taking NPAS costs, how they are distributed locally and fixed costs distributed geographically. This is work in progress and more discussion is required.

SD highlighted that there was a need to be careful in understanding what was going to fit in terms of national costs verses the regional costs. In relation to the force cost a consultation through the APCC would be helpful. AM advised that by working nationally the savings of public money would be £13m. AM was less clear on how a regional element would work within a national operation. JD supported the comments already made and praised the work done by the working group and added that the end model should not be any different to the model that was funding the National Crime Agency (NCA).

SW lent his support to CS's work in establishing this paper. SW agreed the paper but re-emphasised that it should take into account the core principles - local need, local demand, and local determination. The system at the moment was not only unfair but was delivering a reduced service to many forces compared to what they had previously experienced. In SW's view SY were paying exactly what they had been paying pre NPAS but now received a third less flying hours and a third worse response time. SW stated the only way to sign up and retain sustainability was to maximise the ability of NPAS to respond to local need. If the opportunity in building that into the formula was missed then NPAS was going nowhere as a national police air service, neither would NPAS get full sign up and therefore was in danger of losing existing members or existing members challenging the current provision.

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SW supported the paper and the principles, but advised that officers needed to work on some models based around those core principles.

IW added that any regional or local decision had a national impact. Restrictions around regions with borderless tasking or being able to move aircraft and fleet were a factor.

IW advised that there was a NPAS vision in providing AS (rotary or fixed wing) nearest base etc. and did not see the need for a regional model. One option to consider was the option to just buy hours and not contribute to costs, but the cost would be considerably higher and would impact on the rest of the members.

MBW commented that there was a debate regionally surrounding collaboration facility. Under water search and rescue, currently have a pay as you go element but this affected the actual basis of the model due to the amount of deployments that had been made. It left others contributing to the core costs carrying that burden and as a matter of principle, this was not right.

AS advised that the ratio fixed cost flying hours was a good idea but needed to weigh heavily towards flying hours not the fixed costs, also an option of fixed wing verses rotary. One concern was MOPAC (Mayor's Office for Policing and Crime) as they currently have a different aircraft and as such its requirements are different. Whilst it would be, satisfactory to bring MOPAC in it would mean that MOPAC could sell flying hours to the forces around it which would reduce overall fixed costs. It would be difficult with a different aircraft and different way of working to fit in easily and the costing would be very difficult. LM advised that MOPAC favour more costs price to variable, something they are investigating.

MBW advised that since the last meeting good progress had been made with MOPAC in working towards Metropolitan Police Service (MPS) joining NPAS. MPS have specific issues that needed to be addressed within that agreement. MBW had written to Stephen Greenhalgh to address those issues.

NR agreed that the paper started with the right principles and agreed with the course of action proposed at the end with regards to the three recommendations. It is crucial that a view is formed in the near future as to who is going to be a part of this and who is not. Also require a firm indication as to whether MOPAC and MPS would be part of NPAS as they are such significant players.

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The next step would be to look at the payment structure and empower a working group to give recommendations.

MBW expressed that as the lead local body, he was trying to ensure that everybody is part of NPAS in the not too distant future. Work needs to be progressed as there are some very specific issues that had prevented this from happening. DM advised that the MPS was still committed to joining, but there were some areas that required clarity.

It would need to be a national model and pricing should be based around service provision not how it is delivered. NPAS should drive whatever savings it could by providing the most efficient model.

The model was looking at a cost structure and how it could turn into a pricing model. The team was trying to establish a structure that gives NPAS confidence that it could invest and change its business structure in future to deliver savings and give PCCs and CC the confidence that they could purchase something and get it. There has to be a fixed component to the mechanism, nationally. The regional costs, are currently being looked at with the formulae, 80% variable 20% fixed.

In terms of overall funding, there was quite a significant issue for the MPS. More information and clarity was required from MOPAC /NPAS to facilitate the decision by the end of May start of June to join.

MG expressed the importance that every operational organisation that is supposed to be in the model is in the model. The disproportionate impact on organisations like the MPS must be fully understood and quickly addressed. He made a plea that the Board understood the importance of the funding decisions impact on the operational decisions of the MPS and focus to try to deliver that on time.

IW stated the key critical date for bringing the MPS in October is 2 June 2014. The important part of the MPS in joining in October is the Tender for the Parts and Maintenance contract.

CS advised that the MPS had been involved in his sub-group's work from the beginning and were aware of everything. The next step was to communicate this now via the Regional PCCs on the Board to their local PCCs and work more on the formulae. MBW advised that other conversations were taking place with the MOPAC and the MPS in what they could expect in terms of continued service provision from a national police air service for London and that he was very keen to ensure that the right reassurances were given.

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MG advised the Board that he had spoken to Mark Rowley regarding the current service provision. Although it was not exactly the way the MPS had wanted, the detail could be addressed locally with NPAS and the MPS were quite happy with the proposal in the future operating model. The critical issue was the funding formula and the disproportionate impact. MG asked if there was a proposal from the MPS that could be put forward that would seem reasonable to the MPS and give them the reassurance they required in order to circulate it to the PCCs. This would be a short term proposal for the funding arrangement for MPS until the new financial model was achieved.

SW supported MG's suggestion that MOPAC come forward with their own suggestions, however, whatever formula was decided an assurance would be required that would not increase the cost they currently spend. In terms of the underpinning of the detail, there was a need for a lead from MOPAC themselves. LM advised this was to be discussed at the end of the meeting.

MBW asked the Board if they were happy to agree the next steps subject to MPS putting forward some detail regarding the funding aspects. CS advised he was looking for a Board agreement on what is contained within the paper.

Action: - CS to produce a letter with more background that can be circulated to Board Members.

6. Future Operating Model

IW explained that the plans in the paper detailed the intentions of NPAS when the remaining six forces join. From an operational perspective allowing flexibility to move the aircraft around and the training requirements. The introduction of fixed wing potentially opened up new opportunities working with highways, environmental agencies and opportunities for income generation in the future.

IW stated that the board should take note of the paper. CC Alex Marshall in his capacity as the Aviation Portfolio holder would review the paper.

IW explained he was awaiting the outcome of the modelling work and the National User Requirement (NUR).

FS advised that a meeting was to be held with the Fire Service to talk about how they might buy into the service in the future.

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The paper sets out reasons why some other forces had delayed in signing the collaboration Agreement. At the end of this meeting a conversation about governance would be required.

SW advised that the original arrangement was to retain a helicopter at Sheffield in SY delivering the service the general public wanted. SW advised that there was no way that SY could sign up to this particular model. A meeting with NPAS and SY is required to take place at the earliest opportunity.

IW advised that within the next 12 months NPAS had to bring in one fixed wing aircraft. The proposals around SY is further down the line and there was time to work through those. A base would close at some point.

MG suggested that SW and his CC put forward their operational requirements, then negotiations could take place on future plans.

AM advised there would be an option for local forces to increase their service but it would be at a cost to themselves. This could be an option provided they were prepared to pay for all the additional costs.

CS clarified that the first priority was to agree governance and leadership. The second priority was to improve the service/savings then consider expanding the remit to Police Scotland etc.

MBW advised that the Gateway Review would be important as to the recommendations. MBW stated West Yorkshire was happy to be the vehicle to begin the work, as it was seen as a transitional arrangement.

MBW discussed the governance aspects and what was required to be addressed in terms of the priorities. He stressed the need to be clear about the agreements and decisions that are made at governance level and followed through in the implementation terms. This would be addressed later.

7. The Gateway Review

AM explained it had been recommended that the governance arrangements and the funding arrangements are to be examined combined with a look at an alternative delivery model in the future together with the work done around benefits realisation. FS advised that even the Gateway Review had missed the point that NPAS had no legal personality and was not an entity capable of delivering 'governance'.

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There are a number of outstanding issues from the project itself including the reviewing of the Section 22 Collaboration Agreement. Under item 3, the different aspects of the project that are ongoing. It was questionable whether the Board needed a project team anymore.

JD advised that Miranda Carruthers-Watt had sent an email that outlined what the Board needed to be aware of with regard to the NPAS Collaboration Agreement.

The Board discussed the issue of the Collaboration Agreement. The issue was how everyone had signed up to this in the first place. Approval was required to progress the legal work. FS advised that it did not need to go back but it needed to be noted that it no longer reflected reality and fairly soon it would need changing but with a cost implication. Suggestion put forward by JD to continue with the project and have things recorded on a time line. By developing the project time line, the governance would be discussed before moving on. It was agreed that the Section 22 Agreement should not be revised before the last signatures had been obtained.

There were a number of project items that remained outstanding that needed to be completed. Need to be clear about who is leading on what. AM offered to continue with this work for 6 months and would produce a letter to indicate the piece of work outstanding and who was responsible for what and when it is to be delivered back to NPAS for completion. MBW advised that he would ensure that this was properly coordinated and there would be clear messages through WY as the lead.

ACTION: - MBW will finalise a short report to go back to the Board members on the back of this conversation regarding the outstanding work that still needs to be completed.

8.1 Programme of Change

Introduction from Supt. Tyron Joyce the Programme Director, National Police Air Service (NPAS). TJ confirmed funds had been received from the Innovation Fund 2013/14 to continue with the Programme of Change.

The first stage was the development of the Future User Model – 46 forces across the UK (including Police Service of Northern Ireland (PSNI), Police Scotland and British Transport Police (BTP)) had defined the service they required in their region. TJ asked the other members how they rated the service NPAS provided. The outcomes are noted in Annex A – Results of National Air Operations paper submitted to the Board.

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The following overview was based on returns from questionnaires and interviews with the Association of Chief Police Officers (ACPO) colleagues and the operational work that had been conducted within the regions.

Visibility, Public Assurance and Reputation - Air Support (AS) played an important part in public perception. Each of the bases promoted communication to the public, with just under a quarter of million followers on social media for AS. ACPO officers reported that this was one of the most popular areas in terms of their internet sites. The current Gateway Review identified an urgent consideration for the Board to look at how public confidence could be improved. Some forces had advised that without NPAS they would not be able to continue with AS. The speed from concept to reality was commendable.

Efficiency and Effectiveness - the national frame work had provided improved resilience for air coverage, further efficiencies were anticipated as negotiations continue. Some rural forces reported that AS is the only effective response in certain circumstances such as search and rescue.

Benefits and Realisation – TJ stated there was an opportunity to further develop capability around specialist firearms cover, significantly reducing numbers and the cost of accreditation.

Income Generation - the Trademark for NPAS and the logos were being registered and work had begun on the website and merchandising. Additional staffing and funding was required to fully deliver the benefits of NPAS and an Innovation Fund submission would be submitted to the Home Office (HO).

8.2 Home Office Presentation – Strategic Board Development

Presentation to the Board – by David Floyd and Daniel Livingstone.

The Scientific Model is a decision making tool to assist in deciding where to deploy air support and what the basis for that air support should be in cost benefit terms. The data is presented in a modular excel spreadsheet that can be updated due to change of scenario i.e. new forces joining etc.

Cost Benefit Analysis is the business and front end of the model. Cost Benefit Analysis takes the demand and compares the demand in terms of benefits to the actual resource cost.

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DF advised that tasking is not taken into account and the model is built entirely on a model of underlying demand which is a combination of crime, population and an area map of things that are random. The more land area that is covered the more benefit it gives.

There was a discussion surrounding the benefits of the model and how it could be used generally. It was agreed that there was a need to be cautious as it was a strategic model. It is about developing strategic decisions.

SW agreed that this was a very useful tool for the NPAS Operation team to model a number of scenarios. However, the 20 minute response time was way out of where NPAS currently are and South Yorkshire (SY) was looking at a much faster response time. There were a number of User Requirement Surveys (URS) around AS which had been identified in the presentation, one URS of AS being value for money. The whole concept was based on reducing the actual input in terms of the cost of NPAS where actually there was another direction which had been eluded to but no evidence to support this. SW posed the question - how much in terms of response time was the probability in preventing something happening? Agenda item 6 relating to the Operating Model took no account of the values and rights that each Chief Constable (CC) and Police and Crime Commissioner (PCC) attached to their AS. SW asked how easy it was to manipulate so that it could take account of a forces particular requirements.

DF replied that a 10, 15 and 20 minute capture had been built in and would be easy to modify for different tasks. Unfortunately there was not enough data to look at it in detail. SW agreed that AS provides value for money but questioned the cost of £2600 and how this figure was calculated. DL advised it was based on what had been done so far. This was the cost of the model produced, which could be changed once more information and evidence came to light.

MBW added that this was useful analysis and information that needed to be weighed into the strategic decision. It would help inform judgements but there was more work to be done.

SD advised that the model demonstrated the necessity for remote rural locations under the demand for police services rather than a map that just looked at productivity based on people.

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9. Finance

The first paper was the standard budget monitoring paper and the position as at February 2014. As at the end of February there was a structural deficit of £3.5m, this had now been secured by the Home Office. MBW advised the Board that he had thanked the minister, Damian Green.

9.2. Budget 2014/15

Where the paper points out police pay was currently overspending this would be rectified as currently there are officers who are not employed directly by WPY but seconded into it. The aircraft maintenance forecast overspend would come in less than £854,000, this was because when assets came over to NPAS, some of the information that had been provided was not up to date. Therefore, some of the service that NPAS had to deliver in 13/14 was unexpected, because savings had been made elsewhere. That said, they still come within the budget. This has been rectified for 14/15.

After the Extraordinary Board held in February, NPAS was tasked with implementing the recommendations that the Board made to balance the budget moving forward. Payment from the HO had eradicated the structural deficit of 13/14. Savings had been reflected within the various budget lines in NPAS. As the balance budget was achieved the implementation of option 7, [REDACTED]. The £1m SBH contract redemption will come into 14/15. Management team need to discuss the surplus to see how this effects the operation model in 14/15.

Work is still required to move to a longer term balanced budget and one of the items in the Gateway Review was a medium term financial forecast which was being looked at. Balancing the budget going forward would have to take account of the savings made this year. Any increase in costs currently in the Section 22 Agreement does not allow for even simple inflation.

[REDACTED]

[REDACTED]

MBW advised that despite the good news around the funding from the HO and the agreement with MPS, a firm grip needed to continue in terms of managing the budget surpluses going forward. SW asked for assurances that there was no risk of the surplus being carried forward. MR advised there was no risk.

9.3 Revised Capital Budget

The budget was a revised budget as a result of the Extraordinary Board in February, the budget had been adjusted accordingly.

9.4 Capital Credits

SC explained that there was the option to bring though forward capital credits that had been agreed. Since that time there had been a further slip of the project [REDACTED], due to seeking assurance from the supplier that the parts being supplied were fit for purpose. The examination of the parts had to be extended, although successful, this had forced this project into next year meaning that more funds had been released back into this years' budget, which under the current arrangements would have to be paid back to the Treasury. It had been agreed to bring forward credits.

JH had a conversation with the auditors (KPMG) regarding the process. Their first concern was that bringing forward the airframe credits met the HO grant terms and conditions. JH had been able to fully reassure KPMG that the HO were fully on board with this and would send the minutes from the December meeting and this meeting. JH was confident it met the accounting code of practice, and was not aware of any issues from the external auditors.

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10. Performance

RW advised that every force saw an uplift of 10% when they joined NPAS. Some forces had raised concerns around changing their hours. Regarding the SLAs and there were some proposals in the way the performance is reported. The main reduction was to flying hours due to the maintenance schedules as this took considerable time to work its way through. Aircraft availability would be a challenge over the next 6 months due to the upgrading programmes taking place. SW advised that the Board needed to be informed what the formula was when negotiating the flying hours, and that needed to be shared with all the forces for transparency. There is a requirement for a paper where a decision / negotiations can be made.

ACTION: - RW - Paper to be brought to the next meeting on re-negotiations for flying hours.

SW expressed that there was an open channel for dialogue, and communication. Discussions need to take place around the transitional financial arrangements. The project team are working hard to try to equalise operations, availability and capability over the country.

MBW advised that it was more about understanding what the options were around a transitional agreement, until the funding formula is agreed. He explained that there was an issue surrounding the number of hours that were actually being flown. The deployment side seemed to be working well but there were still issues on the expected hours under the SLA to the reality of what was being delivered.

SW advised that now NPAS was operating to standard protocols for call taking, flight consideration, despatch that had flushed out a lot of the police aviation which had taken place prior to NPAS. This was not entirely truly operationally necessary and had reduced the number of hours being flown at present.

SW requested the paper to be addressed at the next meeting setting out clearly the forces that were seeking a reduction so that a Strategic view could be taken as to how that would impact nationally. He agreed that there was a need for transparency at this Board.

MBW advised that whatever decision was made, the Board needed to be aware of what the impact would be on the provision of a national service. IW explained that these issues existed before but were absorbed with in the forces locally.

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11. Risk Management

Following the Gateway Review, the internal Auditors looked at risk and how embedded risk management is. The overall agreement from the auditing team was a reasonable assurance that NPAS miss- management process was effective. It was agreed to close Risk Item 22, but add a new risk to make re-assurances that the current revenue budget will out turn next year spot on.

12.1 AOB

RP advised that the five CCs at the West and South had requested to have another CC representing them at the Board. MBW advised that there was no agreement of the Board at the moment. AS advised that this request was put through him. AM was happy to engage and speak to the CCs to see how they could be represented at the Board even if it was not an extra person.

12.2 AOB

IW advised that NPAS had achieved a first 'no findings' of the audit of two bases. MBW would write on behalf of the board to thank them for their work.

ACTION:-MBW to write on behalf of the Board to thank staff at the bases for their hard work in achieving a 'No Findings' result.

12.3 AOB

IW updated the Board on the Scotland accident. [REDACTED]
[REDACTED]
[REDACTED]

12.4 AOB

There followed a closed session meeting of Board Members to discuss Governance arrangements.

13. **Date of next meeting – Thursday 19th June at 1pm**
Venue: Harrogate International Centre, Queen's Suite,
Kings Road, Harrogate, HG1 5LA

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