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10/1922/92

Mrs Murphy

POLICE AUTHORITY for NORTHERN IRELAND

Your Ref
Our Ref
Date 10 September 1992

*For Advice and
Draft Reply to the
Secretary of State
by the 1/10/92*

- 1) Ps/Sols (B+L)
- P/HR. Muter (DFP, B+L)
- Ps/Pvs (B+L)
- Ps/MA. FELL
- MA. Heddie
- MA. Semple
- MA. Chesterton
- MA. Ly on
- * MA. LAJERY
- MA. COANICK
- 10/1922/92

HEAD OF THE N.I.
17 SEP 1992
CIVIL SERVICE

Rt Hon Sir Patrick Mayhew QC MP
Secretary of State for Northern Ireland
Northern Ireland Office
Stormont Castle
BELFAST
BT4 3ST

UNDER/ 813/9
SEC
18 SEP 1992
CENT SEC

*Mr Watkins 2) Sols To See.
for free
Date 17/9*

Dear Sir Patrick

Thank you for your letter of 10 June in response to my earlier letter setting out the serious financial situation facing the Authority in the current year. The Authority has in the interim taken action to try to resolve its difficulties but I consider the situation to be so potentially severe that I write now to draw attention to our deepening financial problems.

In my letter of 21 May I stated that the exceeding of the Authority's budget in the first two months of the financial year was of the order of £2.4m due to RUC overtime and that all budgetary headings within the Authority would be examined with a view to determining the action required to stay within the grant. This exercise was undertaken and expenditure has been subject to particular scrutiny since. I have also met with the Chief Constable to discuss what action might be taken, but the outcome of both the review and monitoring of budgetary headings and my meetings with the Chief Constable have pointed up a financial crisis facing the Authority. This is brought about, in the main, by the continuing high levels of RUC overtime considered necessary by the Chief Constable to counter the present terrorist threat.

Our assessment of the financial situation is that if RUC overtime levels continue on much the same levels - and the Chief Constable is unable to agree to any significant reduction - then the Authority faces potential net financial pressures of £13.65 m as set out in Appendix A.

Although the pressures are due mainly to high levels of police overtime, it must be said that the potential for such a situation has been with the Authority for some time, due to a lack of realistic provision even before the start of the financial year.

The 1992/93 Estimates provision for the Authority was set at £564.65m, which was £11.4m less than original bid. The shortfall was made up of deficiencies in a number of areas but, significantly, police overtime was reduced from 14,700 ADH to 14,100 ADH at a cost of £2.8m. Other areas also reduced included major new works (£1.4m), transport (£0.75m) and telecommunications equipment (£0.5m). The Authority therefore had to recast the financial programme to ensure more appropriate provision in some areas: during this exercise overtime provision was set at

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14,500 ADH at a cost to other programmes of £1.90m. In order to find the resources to make the appropriate extra provision we had to impose additional cuts in some areas which had already suffered in the estimates outcome, such as major new works which lost a further £1.45m. Even with this reallocation of resources we were aware that there were difficulties with overtime provision, particularly as towards the end of the 91/92 financial year overtime levels were running at around the 17,700 ADH level and the view of the Chief Constable that no let-up in terrorist activity was foreseen.

The Authority is mindful of the fact that it must make every possible effort to live within the grant and to this end a number of other areas have been identified where cuts in expenditure might be made to compensate for the anticipated pressures. As you are aware, the Authority is committed to approximately 80% of the grant by way of salaries and related expenditure. This area of expenditure is an inescapable commitment and when it comes to imposing cuts, then it is the RUC Support Services and Buildings Programme areas which are "raided" time and time again.

This time round is no exception and the areas marked down for cuts include some subheads which were underfunded within the 92/93 Estimates: indeed some areas are included which have already been raided in the current year. Unfortunately only cuts totalling some £7.65m can be identified, which would leave a further £6m to be found should overtime continue unabated. The areas identified where cuts would have to be made and a summary of the implications of each cut are shown as Appendix B.

During my most recent meeting with the Chief Constable he was adamant that he would not agree to cuts in the areas identified, nor is he prepared to consider curtailment of recruitment or training which would seriously impair his ability to provide the level of policing he considers appropriate and, indeed, that which he understands accords with your wishes. The RUC's views of the level of overtime required are set out in the DCC's letter of 13 August 1992 Appendix C. The Authority agrees with the Chief Constable's views that the cuts identified as necessary to compensate, at least in part, for the potential pressure caused by the cost of RUC overtime are undesirable, given the history of underfunding and raiding of the support services and building programme over the past years. However the Authority must guard against spending that which it does not have and expenditure has therefore been, most reluctantly, frozen in the areas outlined.

As things stand, the Authority has limited options for dealing with the £6m shortfall in that it cannot curtail the operational activity of the Force. We could realise savings of around £1m through reducing vehicle purchases to around 425 vehicles this year but this is considered totally inadequate to sustain an operational fleet of over 2700 vehicles. The curtailment of the purchase of specialist and non standard vehicles in particular, which are used in areas where normal police saloon cars and landrovers are dangerously conspicuous, would inhibit the RUC ability to provide the required police cover without further risking the lives of patrolling officers.

Additionally, plans to equip 'A' and 'D' Divisions with secure speech radio equipment could be abandoned in year, which would release savings of a further £2m. This would, however, also have very serious consequences for the lives of police officers in view of the widespread availability of equipment capable of monitoring existing police radio channels.

To make savings of a further £3m it would be necessary for the Chief Constable to curb RUC overtime activity over the remaining six months of the year from the projected level of 17,000 ADH to 15,750 ADH. However, as I have already stated, he steadfastly maintains that he cannot provide the required level of policing on such a level.

There is already some doubt cast on whether the secure speech plans for 'A' and 'D' Divisions will gain Treasury approval presently being sought. If approval is not forthcoming and funding withheld, then obviously this provision could not be raided and it would then be necessary for the Chief Constable to reduce overtime working to around 15,000 ADH for the remainder of the year.

The Authority has considerable sympathy with your comments about the severe pressures on NI public expenditure and I realise that this pressure has increased since the date of your letter. However the fact remains that, despite substantial cuts which have already been applied, the Authority has a £6 million funding deficit.

If additional funds are not made available then the Chief Constable will have to agree with the Authority a prioritisation of activities and reduce overtime - not to the original budget but at least to effect a reduction in his current projected level. Unhappily the Chief Constable presently maintains his view that this is not possible given the present terrorist threat.

It is becoming increasingly difficult for the Authority with statutory responsibility for an annual budget of well over half a billion pounds to effect overall control when the significant part of that budget which is spent on police overtime is subject to a "blank cheque" philosophy of providing for what the Chief Constable believes may happen. Nor is it made any easier when repeated warnings to the RUC regarding potential budget deficiencies are met with reference to Ministerial statements about resources not being an inhibiting factor in the fight against terrorism.

I assure you that members of this Authority view the present situation with the greatest concern not merely with regard to the current financial year but also to the effects on next and subsequent years.

To sum up:

1. The Authority has no direct control of the major element of the overspend, ie police overtime;
2. The effecting of cuts to counter the overspend continues to severely weaken the support services; and
3. Notwithstanding 2 above there is still a £6m gap.

I will continue to keep you informed of the situation but you may consider an early meeting appropriate to discuss the way ahead.

Tom Rainey

Tom

T RAINEY
Chairman

POLICE AUTHORITY FOR NORTHERN IRELANDPOTENTIAL PRESSURES

	fm
1. RUC Overtime - based on actual spend to July; estimated activity of 16,300 ADH during July and projection of 17,000 ADH thereafter	10.50
2. RUC/RUCR Pay - including expansion; housing allowance (incl comp grant); ERNI on overtime, T&S and other payments; PTR patrols etc	2.00
3. Conversion of weekly pay to monthly pay - civilian staff	0.40
4. RUC travel and subsistence expenses - £0.5m overspent after 3 months	1.50
5. Inland Revenue - notional provision for back taxes	0.50
6. RUCAA - capital grant	0.80
7. Legal and other agency fees - compensation; CSO; enquiries	0.20
8. Telecommunications equipment - ECM; UCBT protection	0.25
9. Repair and maintenance of buildings - consequential upon earlier cuts	0.35
10. Home Protection Scheme - increased demand	0.10

	TOTAL: £16.60m

POTENTIAL EASEMENTS

1. Civilian staff costs - lower pay award	0.30
2. Police staff costs - lower pay award (6.5% against 7.5% budgeted)	1.70
3. RUC pensions, gratuities and commutations	0.30
4. Female police pension contributions	0.25
5. Other receipt - FACs, sale of assets etc	0.40

	TOTAL: £2.95

NET PRESSURES: £13.65m

APPENDIX B

1.	Catering - operating and maintenance - further reduction in canteen opening hours	0.25
2.	Catering - capital equipment deferrals	0.05
3.	Uniform clothing - temporary reduction in standard scales of issue	0.40
4.	Accoutrements - mainly deferral of fragmentation helmets	0.50
5.	Arms and ammunition - reduced provision of ammunition for training on H & K rifles and new riot guns	0.50
6.	Specialist Branches - deferment of capital equipment purchases and consummable materials	0.50
7.	Equipment for vehicles - reduction and deferment in the armouring of Landrovers and saloon cars	0.50
8.	Radio Workshops components - adverse effect on maintenance of existing security systems	0.10
9.	Purchase of land and buildings deferment of acquisitions	0.30
10.	Major New Works - disruption and delays to building programme affecting a number of important projects	1.40
11.	Minor New Works - moratorium imposed on micro works and severe disruption of the programme following last year's constraints	0.10
12.	NIWO - major implications for 1993/94 and subsequent years in relation to high priority projects possibly resulting in re-prioritising of the whole programme	2.00
13.	Furniture and fittings - reduced availability in relation to office furniture requirements	0.30
14.	Agency Fees - DOE Works Division Serious implications for the completion of projects in subsequent years. Possibly causing DOE to under recover in short term and reduce commitment to PANI thereafter.	0.50
15.	Energy efficiency measures - adversely affecting progress towards achieving targets	0.10
16.	Printing, stationery and office requisites - creating downward pressure on consumption	0.15
	TOTAL	£7.65m
	PROJECTED BUDGET DEFICIT	£6.00m

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Deputy Chief Constable



BROOKLYN
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13 August 1992

Dear Sir

RUC OVERTIME 1992/93 FINANCIAL YEAR

You will be aware from briefings and reports over the past months that there has had to be a consistently high police and army profile to contain the terrorist threat.

The average level of overtime working for the period November 1991 to July 1992 was approximately 17,200 ADH and, in the light of the current threat from all sources, this level of overtime working is likely to be necessary for the remainder of the financial year. To maintain overtime above that level for any substantial time would have serious consequences for the health of the Force.

PIRA

The main terrorist threat comes from the Provisional IRA who are determined to maintain the momentum despite the alleged conciliatory sounds coming from Sinn Fein. That they have both the resources and the personnel to sustain the campaign is not in doubt. There have been substantial seizures both in Northern Ireland and the Republic of armaments supplied by Libya. However that is only slight consolation as recent contacts with the Libyan Government have confirmed our worst case fears. PIRA still have a formidable array of sophisticated weaponry.

That is not the whole of the picture as in spite of what they already have they seek more weaponry and are constantly trying to acquire missiles capable of bringing down aircraft.

Each year sees new tactics and new devices. In May 1991 the first coffee jar device appeared. It is a simple weapon but is a serious threat and countering it and the drogue bomb involve an element of exposure which resulted in the shooting dead of Guardsman Damian Shackleton on 3 August 1992 at Duncairn Avenue in North Belfast.

Within recent months PIRA have used a flashgun means of initiation; with deadly effect in Newry on 27 March 1992 when Woman Constable McMurray was killed and Constable lost both legs. On 10 May 1992 at Silverbridge Armagh an explosion occurred in a derelict farmhouse. The means of initiation was a new method of remote detonation by PIRA involving the use of an infra-red intruder alarm system. An identical device was recovered on 30 July 1992 at Ballsmill Road, Crossmaglen during a planned search and this was identified as a Pulnix system.



It follows that PIRA have at their disposal a technical resource which in addition to being innovative is also working away to negative our counter measures in the same field.

Whilst their primary objective is to murder members of the Security Forces and anyone else, for example, Judges, Builders, Suppliers etc whom they classify as 'legitimate targets' they are also determined to cause both major destruction to property and disruption to normal life.

You don't need to be reminded that Belfast in particular has suffered from the large car bomb in spite of our efforts. However we are in no doubt that if it were not for the actions of the Security Forces the damage and cost would have been much more.

This in turn can only be achieved by expenditure over budget but that must be set against the cost of potential destruction to property and even loss of life.

Given the intelligence this high level has to be maintained.

IPLO/INLA

Lacking the numbers, ground level support and arsenal of the Provisional IRA they do not pose a threat of anything like the same order. But they do have guns and are more apt to engage in sectarian murders than the IRA who try to cloak that aspect of their campaign.

UVF/UFF/UDA

Now that the UDA has been proscribed it will stifle criticism of Government for failing to do so. Although some public disorder was anticipated it has not as yet materialised. In real terms proscription is not of itself going to stop loyalist murder gangs. There have been a number of recent successes against them but they remain a serious threat. Of the 54 deaths due to the security situation this year they have been responsible for 23. In addition to their sectarian campaign they are heavily involved in extortion, robberies and racketeering generally.

Random assassinations by loyalists heighten community tension and make additional demands on the Security Forces which have to be met in part by additional patrolling. It can also have an adverse effect on public order as evidenced by the reaction to loyalist parades on the lower Ormeau Road in the wake of the murders of Graham's Bookmakers premises.



In the circumstances described there is a continuing drain on the resources necessary to provide 24 hour cover, 365 days of the year. At the same time, static security at stations, VIP soft-target protection and increased efforts to counter racketeering must be sustained - in some cases widened by supplementing manpower to the most difficult areas. The need to sustain an adequate normal police service remains. These pressures are exacerbated by disturbing trends in sick leave, increased leave entitlements, and rigid duty rostering legislation. The elements combine so as to render it impossible to generate savings in our operational budget, which events have demonstrated as woefully inadequate.

While the preceding paragraphs make depressing reading, the Force continues its war of attrition against all illegal organisations as well as maintaining public order and providing a normal policing service. During the period 1 January 1992 - 31 July 1992, 761 persons were arrested on terrorist charges requiring processing and lengthy interviewing; 33 of these were charged with murder, 41 with attempted murder, 43 with firearms offences, 29 with explosives offences, 25 with armed robbery and 78 with other terrorist related offences; a total of 249. During the same period, as a result of intelligence, a total of 107 individual and 289 general threat warnings were issued and many potential terrorist operations were disrupted.

Finds of firearms and explosives during the period total:

Firearms	-	115 (138 separate weapons recovered)
Ammunition	-	11,923 rounds
Explosives	-	3,190 lbs
Detonators	-	180
Rockets/Mortars	-	24
Incendiaries	-	45

A number of major operations have been mounted recently to counter racketeering, including border areas. The enhanced squad continues to target clubs and combat tax exemption fraud and extortion, in the essential effort to curtail the flow of money to terrorism.

It can therefore be confirmed that very high levels of overtime are mainly worked in those areas of the Force where it is essential such as the Belfast Divisions and Crime Department. It is our professional judgement that current overtime working in the region of 17,000 ADH will be necessary for the remainder of this financial year and possibly into 1993/94. To put this request into perspective this level of working provides a mere 3.8% increase in overall activity for the Force as a whole compared with existing provisions.



We would once again urge the Police Authority to seek the necessary financial cover from the Northern Ireland Office and not place the burden on the Authority's other budgets sub-heads including, inter alia, much needed protected buildings and support services for the RUC. Since there is nothing to indicate that there will be any change in the policing requirement over the next years it would be helpful if there could be a unified approach to NIO to deal with this aspect of the budget. Hopefully the working group chaired by John Lyon will resolve for the future this recurring scenario.

Wm. Mitchell
Michael

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