

**REQUEST FOR DMPC DECISION – PCD 111****Title: Loan of Vehicles for Royalty and Specialist Protection****Executive Summary:**

Royalty and Specialist Protection (RaSP) are reliant on short term vehicles for their surge requirements for special and state events. The loan arrangement with Jaguar Land Rover (JLR) stabilizes the requirement to have additional vehicles during major events.

**Recommendation:**

The DMPC is asked to

1. Approve the offer from JLR to provide the MPS with 16 vehicles on long term loan at nil cost and make up to 300 vehicles available on short term, ad hoc loans over a five year period.

**Deputy Mayor for Policing And Crime**

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

**Signature***Signature Under***Date***14/12/16*

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. The loan arrangement with JLR will provide the MPS with the additional capacity that is required to meet surges in demand for vehicles during major events.
- 1.2. The operational demand of RaSP is extremely varied and is reflective of political and Royal activities, most of which are irregular and some of which have little planning notice. The RaSP has a need for flexibility in the availability of high quality vehicles, which are approved for the role profile. The hiring of such vehicles is a possibility but at a high cost.

#### **2. Issues for consideration**

- 2.1. The RaSP has previously received loan vehicles from various manufacturers to meet their surge requirements. Manufacturers have been willing to loan vehicles to RaSP, as they benefit from their vehicles being seen at high profile events.

#### **3. Financial Comments**

- 3.1. The MPS will benefit from not having to purchase or hire vehicles to support the surge requirements of the RaSP. There is currently no funding available to purchase vehicles, if the loan agreement were to be terminated.
- 3.2. The ongoing revenue costs for the vehicles during the loan period will be funded from existing budgets.
- 3.3. Further details are discussed in the Part 2.

#### **4. Legal Comments**

- 4.1. S93 of the Police and Crime Act 1996 provides MOPAC, as the local policing body, may in connection with the discharge of any its functions; accepts gifts of money and gifts or loans of other property, on such terms as appear to be appropriate to the MOPAC. In relation to the terms, S93 enables the MOPAC to include terms providing for the commercial sponsorship of any activity of the MOPAC or the MPS

#### **5. Equality Comments**

- 5.1. There are no direct equality or diversity implications arising from this report

#### **6. Background/supporting papers**

- 6.1. None.

**Public access to information**

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

**Part 1 Deferral:**

Is the publication of Part 1 of this approval to be deferred? NO

**Part 2 Confidentiality:** Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **part 2** form – Yes

If yes, for what reason: EXEMPT under Article 2(2)(c) of the Elected Local Policing Bodies (Specified Information) Order 2011.

**ORIGINATING OFFICER DECLARATION:**

	<i>Tick to confirm statement (✓)</i>
<b>Head of Unit:</b> The Head of Strategic Finance and Resource Management has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
<b>Legal Advice:</b> The MPS legal team has been consulted on the proposal.	✓
<b>Financial Advice:</b> The Head of Strategic Finance and Resource Management has been consulted on this proposal.	✓
<b>Equalities Advice:</b> No Equality and Diversity issues identified.	✓

**OFFICER APPROVAL****Chief Executive Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature *R. Lawrence*

Date *14/12/16*



## **LOAN OF VEHICLES FOR ROYALTY AND SPECIALIST PROTECTION**

**Investment Advisory Board – 17 November 2016**

**Report by Director of Commercial & Finance on behalf of the Commissioner**

### **SUMMARY**

The nature of the operational demand Royalty & Specialist Protection (RaSP) has required a fluid availability of high quality vehicles which has been supported by a number of manufacturers over the years. To stabilise the provision Fleet Services, the Third Party Contracts Team (TPCT) and RaSP have worked in partnership to secure a long term arrangement for multiple loan vehicles at no cost.

Jaguar Land Rover (JLR) wish to provide the Metropolitan Police Service (MPS) with up to 300 vehicles for individual periods to meet the operational needs of RaSP over a 5 year period at no hire or lease cost.

Section 93 of the Police Act 1996, makes provision for police authorities to accept gifts, loans, donations and sponsorship in connection with the discharge of any of its functions.

The provision of the resources complements the vehicle replacement programme and the Deputy Mayor of Policing & Crime (DMPC) approval is now required, in accordance with the Mayor's Office of Policing & Crime's (MOPAC) Scheme of Delegation.

### **A. RECOMMENDATIONS - That**

1. **The Deputy Mayor for Policing and Crime, in accordance with MOPAC's Scheme of Delegation and Consent, accepts the loan of vehicles pursuant to Section 93 of the Police Act 1996.**

### **B. SUPPORTING INFORMATION**

1. The core service requirement of Fleet Services is to deliver the right vehicles and equipment at the right time, in the right place, and in the most effective way. On 28 October 2015, Joint Investment Board approved the recommendations in the Annual Vehicle Replacement Programme 2016/17 paper. The paper stated that the fleet is supported with 50 temporary additions which are providing short term operational demand and are excluded from replacement criteria.
2. The temporary vehicles are short term hire or lease, some are short term loans and others are through fixed term sponsorship arrangements. Over many years, Royalty and Specialist Protection (RaSP), and its various predecessors, have been reliant on short term loan vehicles for their surge requirement for major events and been a beneficiary of a number of manufacturers loaning vehicles to them as support vehicles to their permanent operational fleet.
3. The operational demand of RaSP is extremely varied and is reflective of a global landscape of political and Royal activities, most of which are irregular and some of which have little planning notice. This operational activity lends itself to being supported by the fluid availability of high quality vehicles, approved for the role profile. The hiring of such vehicles is a possibility but has a high cost at a time where expenditure should be lowered. Historically, a number of manufacturers have been willing to lend vehicles to the MPS for these activities, as they benefit from the vehicles being seen during high profile events. The willingness of manufacturers to lend vehicles for high profile activities also

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benefits the RaSP requirement for a small number of additional vehicles to carry out backup or temporary roles.

4. To stabilise the arrangements for the provision of loan vehicles for RaSP in line with the One Met Fleet Strategy it was decided to follow the vehicle procurement process to secure a long term provision of loan vehicles for RaSP. The majority of vehicles procured are through the Crown Commercial Services framework agreement for the supply of vehicle and associated services to the UK public sector. Fleet Services have a list of vehicles available through that framework that are technically suitable for the roles in RaSP.
5. Similar to the purchasing process, a technical specification was compiled and an invitation to propose an offer was sent to all manufacturers on the framework that had suitable vehicles. The invitation stated the minimum technical requirement and that the requirement was for a number vehicles on loan for no charge to support the existing RaSP fleet where operational activities require a wider spread of deployments across the UK and to respond to the surge requirement caused by major events such as state visits, international conferences and elections – e.g. Syria Conference, Chinese State Visit, EU Referendum; the details are in the exempt part of this report.
6. A number of manufacturers responded and discussions took place with them before requesting a final proposal from two of them – details are in the exempt part of this report. Following a review of the final proposals by Fleet Services, RaSP and TPCT, the preferred offer was from Jaguar Land Rover (JLR) – details are in the exempt part of this report.
7. The overall offer from JLR is up to 300 vehicles of at least the minimum technical specification needed for the operational requirement of RaSP. All the vehicles will be available for ad hoc loans, at no hire or lease cost on each occasion. To meet the operational requirement of RaSP, JLR will fit MPS supplied radios and data recorders and where required, MPS approved emergency warning equipment to some vehicles, at no cost.
8. Section 93 of the Police Act 1996 ('S93') makes provision for a police authority to accept gifts of money and gifts or loans of other property, in connection with the discharge of any of its functions, on such terms as appear to the authority to be appropriate. The terms on which gifts or loans are accepted may include terms providing for the commercial sponsorship of any activity of the police authority or of the police force maintained by it. A suitable agreement will be put in place between JLR and MOPAC.
9. All vehicles offered through this loan agreement will require approval by Fleet Services to determine the overall suitability for the operational role being undertaken. This will include technical assessment to ensure the vehicles are capable of being fitted with police equipment such as radios and emergency warning systems and being driven in a Response role.
10. The initial group of vehicles will be diesel fuelled, Fleet Services are committed to exploring alternative fuel options during the term of this loan agreement and where suitable products become available and fully meet the role requirements the emphasis will be for these vehicles to be supplied.
11. The Commissioner and Management Board considered the offer and recommend to the DMPC to accept an arrangement with JLR is entered into for the ability to borrow suitable vehicles for no hire or lease cost as and when necessary to meet the operational requirements of RaSP.

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### **C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS**

#### **Equality and Diversity Impact**

1. Equalities considerations have been taken into account particularly concerning the vehicle manufacturer's cabin space design, which includes seat and seat belt adjustments and steering column adjustments.

#### **Financial Implications / Value for Money**

1. The benefit of this loan agreement is the saving of not having to purchase or hire additional support, back-up vehicles and additional vehicles for the requirement of RaSP and special and state events.
2. The Revenue costs associated with this 5 year loan agreement will be met from RaSP budgets funded by Protective Security (PS) Grant. A budget already exists for the following items:
  - a) Fuel (the cost of which is in the exempt part of the paper);
  - b) Maintenance levels will depend on the usage of each vehicle – some will require to be undertaken at the expense of the MPS (the cost of which is in the exempt part of the paper);
  - c) Any unfair wear and tear, damage and total loss.
3. Capital expenditure such as vehicles for RaSP is funded from Counter Terrorism (CT) capital grant as there is no Protective Security capital grant. The CT capital programme is over subscribed for at least the next five years so there is no contingency if the loan vehicles are ever withdrawn. In the unlikely event of the S93 Agreement being terminated savings would need to be found in the existing CT/PS Vehicle Replacement Programme to fund the equivalent vehicles – the cost of which is in the exempt part of the paper. The CT Capital Sub-Group chaired by DACSO would help manage the new budget pressure.
4. Any short term hire caused by the termination of this S93 Agreement would have to be met from RaSP's revenue budget.
5. Currently the CT/PS revenue and capital grants have to be spent in the financial year they are allocated so there is no facility to build up contingencies. Discussions are under way with the Home Office to make things more flexible and it is possible that a provision could be established to cover this potential liability in the future.
6. There are a current surplus of data recorders and vehicle radios available, so no additional equipment purchases are required.

#### **Legal Implications**

1. S93 provides the MOPAC, as the local policing body, may in connection with the discharge of any its functions; accept gifts of money, and gifts or loans of other property, on such terms as appear to be appropriate to the MOPAC. In relation to the terms, S93 enables the MOPAC to include terms providing for the commercial sponsorship of any activity of the MOPAC or the MPS.
2. The MOPAC Scheme of Delegation at Clause 5.6 requires all individual gifts, loans of property or sponsorship with an estimated market value in excess of £50,000 to be referred to the DMPC for approval.
3. There will be a written agreement between the MOPAC and Jaguar Land Rover to formalise the arrangement under S93. The agreement provides that the supplier will provide the services at no charge, and it does not place any obligation upon the MOPAC beyond accepting the vehicles at no cost. The agreement will contain sufficient terms in relation to termination, should the MOPAC wish to exit the arrangement before its expiry,

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and most importantly it makes clear the use of the vehicles will not influence the award of paid for contract to the supplier, for which the MOPAC is obliged to undertake a public procurement exercise.

4. The agreement will be published under the Elected Local Policing Bodies (Specified Information) Order 2011.
5. On the basis of the contents of this report, DLS are content for the recommendation to proceed.
6. For the duration of the loan agreement, any vehicles loaned to the MPS will remain the property of JLR, who will also retain the legal ownership on the appropriate DVLA registration systems. Insurance cover will be provided by the MPS and any damage over and above that noted at receipt will be chargeable.

## **Risk (including Health and Safety) Implications**

### **Health and Safety**

1. Fleet Services will continue to work with the MPS Safety and Health Risk Management Team (and other agencies as appropriate) to ensure that all significant H&S risks have been quantified, and that suitable and sufficient controls are in place aimed at mitigating the risk to the MPS as follows:
  - a) Compliance with health and safety at work statutory provisions including codes of practice
  - b) MOPAC/MPS Safety Management System ~~and~~
  - c) Service delivery that may impact public, ~~office~~ or staff safety

### **Risks**

1. Without PIB and AIB approval to initiate and ultimately award this contract, there is a significant risk to operational policing and that the required fleet requirements cannot be delivered this financial year.
2. Approval has been given for a growth in the number of Protection Officers by 122 to deal with working patterns and delivering protection in line with the national guidelines. The first 50 officers were operational in August 2016 and the remaining numbers will all be in place by March 2017. Additional vehicle have been bid for as part of the uplift programme, but the new vehicles will not be operational until mid-2017. The loan vehicles are critical to the immediate operational capability.
3. Other risks to consider are;
  - a) If either party terminates the contract significant there will be a significant lead time to allow for fleet vehicles to be purchased and converted for service.
  - b) Availability of Capital funds in the event of contract termination or expiry to facilitate the purchase of replacement vehicles.
  - c) In the event of a write off sufficient funds will be required with the Protective Security Grant funding to reimburse JLR for the financial loss.

### **Environmental Implications**

1. Fleet Services are committed to supporting the following environmental initiatives;
2. Mayors Climate Change Mitigation and Energy Strategy to address the target to reduce carbon emissions by 60% by 2025 compared to 2005/06 emission levels.



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3. Mayor's Air Quality Plan, and Electric Vehicle and Low Carbon Plan (EVLC), which is aimed at improving the air quality of London by reducing emissions from transportation services and promoting the use of low carbon emission vehicles.
4. The Ultra Low Emission Zone will be enforced from September 2020, the zone will operate 24 hours a day and will be the same as the current Congestion Charging Zone. All cars, vans, minibuses and large goods vehicles will need to meet the exhaust emission standards to enter the zone.
5. All diesel cars will be required to meet the European Standard 6 to comply with the zone and all vehicles being loaned through this contract will comply with this standard.
6. The table below identifies the environmental impacts associated with this report;

Environmental Impact	Higher	Lower	No impact	Mitigation/ management of any higher impact
Level of energy use and associated carbon dioxide emissions		↓		The vehicle being purchased will meet the latest Euro 6 Emission Standard.
Level of water consumption			=	No impact is anticipated
Level of waste generation/waste requiring disposal			=	No impact is anticipated
Level of travel and transport and associated emissions		↓		The vehicle being purchased will meet the latest Euro 6 Emission Standard.
Raw material use and finite resources (use of recycled materials and sustainable alternatives)	↑			The increase in raw material use and finite resources will be increased by the purchase of new vehicles. Where possible the use of recycled/recyclable materials and parts should be encouraged although this will be limited due to the specific requirements of the contract. The maintenance of new vehicles should encourage the reuse and recycling of parts where possible. The reuse and recycling of vehicle components assists to offset the impact on the purchase of new vehicles.



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