

Warning: This is archived material and may be out of date. The Metropolitan Police Authority has been replaced by the Mayor's Office for Policing and Crime (MOPC).
See the [MOPC website](#) for further information.

Business case for a Metropolitan Police Vehicle Recovery and Storage Service

Report: 12

Date: 14 November 2002

By: Commissioner

Summary

This paper proposes the MPS further develops the in-house Vehicle Recovery & Storage Service (VRSS) with its own facilities, to deliver a best value initiative by providing an enhanced service at a reduced cost.

The intended outcome is to improve performance in relation to the crime reduction rate(s), DNA retrieval, quality of evidence, collision investigation and the removal of illegally parked vehicles. Best value will be delivered through investment in forensic and storage facilities. This investment will act as the catalyst to the delivery of an enhanced service, and open the way to savings, income generation, Government grants and sponsorship.

A. Recommendation

The Committee is asked to approve:-

1. The development of a cost effective in-house vehicle recovery and storage service, to support the core functions of the MPS.
2. In principle agreement to lease up to four car pounds, one each in south, west, east and north London, the annual rental costs being met from existing budget allocations, supplemented by income generations and savings.
3. The leasing of the first car pound at the Angerstein Centre, Charlton for a period of 10 years (less 1 day).
4. The transfer of finance from revenue to capital expenditure to meet the fit out cost of the vehicle examination suite and storage facilities at Charlton.

B. Supporting information

Introduction

1. This business case proposes the Metropolitan Police Service further develops the in-house vehicle recovery and storage service, with its own forensic examination suites and vehicle storage facilities.

The overall aim is to deliver an enhanced service by:

- Extending the forensic examination service to all vehicles concerned in crime, including those reported lost or stolen.
- Improving the quality of examination of vehicles involved in fatal and life changing collisions.
- Re-introducing a removal and storage service for illegally parked vehicles on red routes and bus lanes.

2. The intended outcome is to improve performance, relative to the crime reduction rate(s), DNA retrieval and quality of evidence, as well as enhancing the free flow of traffic.

3. Best Value judgement is based, not only upon the enhanced service, but also cost reduction, with the realisation of income generation and savings to offset current expenditure. The aim is to develop the business over a four-year period, utilising the income and savings made, to meet growth capital and revenue costs. This will allow the MPS to develop the VRSS within the MPS

budget provision of £5.7m, and opens the way to a £2.2m per annum net cost saving in subsequent years.

4. In seeking approval to acquire vehicle storage facilities and to develop the business, this report describes how the MPS proposes to expand and finance the project from within existing funds. In doing so, a comparison is first drawn between the previous outsourced contract and that service now provided in-house, known as 'Operation Notre Dame.'

Rationale - Vehicle Recovery and Storage Service

5. The MPS has in support of its core business, a responsibility to provide a vehicle removal service. This may emanate from legislation, a duty of care, or a service to the public to safeguard property and to minimise vehicles abandoned on the highway.

6. The service may be divided into four broad categories:-

- Vehicles concerned in crime
- Road traffic collisions
- Illegally parked vehicles
- Special circumstances (e.g. security)

Outsourced contract – Bells of Richmond

7. Between 1999 and July 2001, the service was outsourced to Bells of Richmond/Total Services Management. As previously reported to the former Finance, Planning and Best Value Committee on 21 February 2002, the contract was terminated on the basis of performance and cost. The company has since gone into liquidation.

8. In brief, the MPS has to date, expended £5.2m upon this contract. In addition, maintenance of associated in-house functions is estimated to have cost a further £670k per annum.

Operation Notre Dame

9. As a consequence of the failure of 'Bells of Richmond', the MPS established a team to dispose of the 10,000 vehicles located in this company's car pounds. This action has been concluded, the vehicles having been repatriated, auctioned or scrapped.

10. The team also developed an emergency recovery operation, managing a mixed private contractor/in-house service. This operation, including the provisioning of the additional resource, is forecast to cost £4.3m this financial year. This cost compares favourably to the £4.5m expended in 2000/1 on the outsourced contract.

11. The potential for further efficiency and greater cost effectiveness under the current system has been exhausted. Inadequate in-house storage facilities do not afford for growth to the level of service now proposed.

Providing an enhanced forensic service

12. It is an objective of the MPS to exceed the Government Judicial Disposal target of 5% relative to motor vehicle crime. This will in part be achieved through the DNA/fingerprint examination of all vehicles recovered. It is known that 30% reveal fingerprint/forensic evidence to support a prosecution.

13. Approximately 45,000 vehicles are reported lost or stolen within the MPS each year. Of the number recovered only 8,600 vehicles are examined under the voluntary vehicle recovery scheme, the recovery and storage fee being met by the insurance industry. It is intended to extend the recovery and forensic service to all lost or stolen vehicles found within the MPS.

14. The additional demands leading out of the increased throughput (staffing and analysis costs) have already been factored into the MPS forensic services budget, this having been supported by the Home Office Expansion Funding Scheme.

15. The increase in recovery and storage costs is to be addressed through the revision in policy on charging, the intention being to pass this cost onto the owner/insurance industry. Some provincial forces have already adopted such a policy.

16. It is also intended to extend the forensic examination of all vehicles suspected/concerned in crime. The current level of service could only provide for 400 such examinations within the existing temporary site(s), including police station yards. Overflow facilities are provided by private contractors, the cost of storage being borne by the MPS. By the MPS having its own vehicle examination suites and storage facilities, it will provide for a greater throughput and impact favourably upon the judicial disposal rate of all categories of reported crime.

17. The VRSS project is an objective of a crime reduction project linked to Safer Streets under the leadership of Commander Quick (Territorial Operations). The intended outcomes are:

- An increase in the MPS crime reduction rate(s).
- Improve auto-crime detection rates and intelligence
- A reduction in 'the broken window crime' by recovering stolen vehicles to a secure environment
- Enhanced procedures relative to the preservation of evidence.
- The safeguarding of a Home Office forensic grant. (See para. 14)

Fatal and life changing road traffic investigation

18. In 2001 a total of 1,048 vehicles were recovered for mechanical/forensic examination and long term storage. Vehicles are currently taken to private garages, the cost being borne by the MPS.

19. The ACPO Road Deaths Manual advises the same level of investigation be extended to those collisions which result in life changing injuries. It is estimated that the number of vehicles which, need to be examined/stored will rise to 2,500 per annum.

20. The advantage of the MPS having its own mechanical/forensic storage facility will be:

- Savings in the fee expended on long term storage.
- Enhanced facilities to retrieve and preserve forensic evidence.

Illegally parked vehicles

21. The MPS still has a responsibility for policing the Red Routes and more recently the bus corridors, operated under contract with Transport for London. In the absence of a car pound, illegally parked vehicles are repositioned to another street. The cost of repositioning is borne by the MPS.

22. Pan London facilities would provide the opportunity to remove and store an estimated 24,000 illegally parked vehicles per year. The income generated from this service would offset the leasing cost(s), and contribute towards the running cost of the in-house Special Operations Removal Unit (SOR), maintained to undertake this and other operational functions. Furthermore, it is also planned to re-locate the SOR to the car pounds, thus freeing up their current accommodation for other pressing priorities.

Developing the vehicle removal and storage service

23. Delivery of an enhanced level of service is best provided by the in-house service; the financial benefits and quality of service outweighing the re-introduction of an outsourced service. It is therefore proposed to use existing funds to meet the set up costs. Such investment will offset the cost expended on storage, whilst an enhanced forensic service offers reassurance in safeguarding the existing Home Office Forensic Expansion Funding of £1m. Development of the site(s) affords the opportunity for a further Government grant under the Crime Reduction Initiative scheme as well as income generation and sponsorship.

24. In providing for greater accountability, all associated functions relative to service delivery will be brought under one management structure with a single budget cost centre, thus affording a visible audit trail. Merger of associated functions will itself bring staff savings (14) within the first year of operation. This saving will allow for re-deployment elsewhere.

25. Private contractors will however, continue to be used to recover vehicles within categories 1 and 2 as outlined in paragraph 6. The existing service agreement is to be replaced by a robust contract, to be drawn up by the Department of Procurement.

Development of a pan-London service

26. To develop the service pan-London would require significant investment, to acquire and resource sufficient facilities in a single year. Up to four geographically located sites would be required to meet demand, judged to be in excess of 70,000 vehicles per year. It is therefore proposed to implement an incremental four-year programme, each stage to be the subject of an evaluation. This would allow the MPS to finance each stage within the existing budget, supported by the income generated. Each phase of development will be the subject of a separate business case submitted to the Finance Committee for approval.

Stage 1 – The Angerstein Centre, Charlton- South London

27. A suitable site has been identified at the Angerstein Centre, Charlton. It is 6.2 acre site, containing four refurbished buildings. The site has a tar macadam surface throughout. Two of the

buildings are ideally suited to accommodate the forensic suites.

28. The site can accommodate 1,100 vehicles at any one time. Throughput has been levelled at 21,500 in the first year of operation. This site is of a suitable size to meet the full demand of the south-east quadrant of London, excess space being utilised for long term storage pan-London, the latter being assessed upon cost effectiveness.

29. Furthermore, an in-principle agreement has been reached to incorporate the existing Specialist Operations vehicle forensic examination suite (Croydon) within the complex.

Stages 2 – 4 West, North and East London.

30. Stage 2 is planned for year two, with the acquisition of a second site in west London. Location of this site provides a south-east/north-west balance and the opportunity to evaluate the need for sites three and four in years 3 and 4. These sites have yet to be identified.

C. Equality and diversity implications

1. The equality and diversity implications identified and to be addressed within this project include:

- The introduction of revised MPS policy.
- The expansion of the service to forensically examine all vehicles involved in crime, thus extending the service to all victims.
- Development of the facilities, which provides for staff and customers who are disabled.

D. Financial implications

1. The intention is to grow the business within the existing budget, revising policy to afford for increased income generation (See paras 15, 21 and 22) and the realisation of savings currently expended (See paras 16, 18-20) on storage fees to private contractors. It is proposed in the first four years of operation to invest the income/savings made to meet the growth capital and revenue expenditure required for a pan-London service.

2. Thereafter, the income generated year on year, will realise an estimated £2.2m reduction in revenue expenditure, assessed against the current cost of £5.7m. This saving is based upon an in-house service, pan-London. (See para 26)

Stage 1

3. Acquisition of the Angerstein Centre, Charlton, can be achieved within existing funds. The annual lease and maintenance fee is £806k, based upon a ten-year lease (minus 1 day).

4. The initial estimate to fit-out the Angerstein site is £2.7m. In meeting an agreed fit-out cost, it is planned to spread the work over two financial years (2002/3 and 2003/4). It is proposed to meet this cost by transferring revenue to capital expenditure. (See Appendix 1). Negotiations to reduce the fit out cost continue. This includes discussions with the leaseholder as to their obligations, which has led to a five month rent free offer.

5. Provision of such forensic and storage site allows the MPS to apply for a Crime Reduction Initiative Grant. If successful in its application, this money would be used to further reduce the fit out cost. Furthermore enhancing the forensic service will safeguard the existing £1m Forensic Expansion Scheme grant.

6. Acquisition of this site will free up existing accommodation at:

- Kirtling Street, Battersea
- Hayes Police Station, Middlesex
- Grove Hall, Stratford
- Tintagel House (1/3 floor)

Grove Hall is to be placed on the disposal list. The other sites will be retained to meet other operational priorities with any lease rental costs no longer being charged to the VRSS being met from within existing MPS budgets. The future of the site at Croydon (See para. 30) is yet to be decided. Discussions as to transferring the forensic operation remain at an early stage and therefore no decision has been reached as to its future requirement.

7. In addition to the grants outlined in paragraph 36, sponsorship is also being pursued. The Association of British Insurers has made a provisional offer of £1m to fund such a project. Negotiations continue. This business case is not however dependant upon the outcome of these

applications and have therefore not been included within the budget projections outlined in the appendices.

8. Appendix 1 outlines the existing income and expenditure budget. Section two of that sheet illustrates the transfer of £1.4m savings in revenue to capital expenditure in the financial years 2002/3 and 2003/4.

Stages 2 – 4

9. Appendix 2 shows the projected capital, income and revenue expenditure if the programme is to be expanded pan-London. These projections are based upon the existing budget allocation and in the absence of other identified sites, the costings to establish the site at Charlton. It indicates how investment can be met in each of the stages through income generation and savings.

E. Background papers

None

F. Contact details

Report author: Stephen Ditchburn Head of Vehicle Removal and Storage Service

For more information contact:

MPA general: 020 7202 0202

Media enquiries: 020 7202 0217/18

Appendix 1: Vehicle Removal & Storage Service

VRSS income & revenue expenditure budget

	2002/03 (£000)
Employee costs	1,600
Supplies & services	450
Transport costs	10
Total employee and related costs	2,060
Total premises costs	1,800
Removal & recovery of vehicles	3,150
Total expenditure	7,010
Income	-1,300
Net revenue expenditure	5,710

Changes to MPS current budget for implementation of pound 1 (Charlton)

	2002/03 (£000)	2003/04 (£000)
Employee costs	0	0
Supplies & services	0	0
Transport costs [1]	0	10
Total employee and related costs	0	10
Total premises costs [2]	0	0
Removal & recovery of vehicles [3]	-1,400	-1,400
Total expenditure	-1,400	-1,390
Income [4]	0	0
Net revenue expenditure	-1,400	-1,390
Fit out costs: building work, security, IT, telephony [3]	1,400	1,390
Capital expenditure total	1,400	1,390

Balance	0	0
----------------	----------	----------

Note: All budgets at current prices, no allowance for inflation

Appendix 2: Capital Income and Revenue Expenditure Projection, Years 1 to 4

Changes to MPS current budget for implementation of pounds 2-4

Estimated figures only as no further pounds have been identified

	Four pounds (£000)
Employee costs [5]	1,100
Supplies & services	0
Transport costs [6]	30
Total employee and related costs	1,130
Total premises costs [7]	2,200
Removal & recovery of vehicles [8]	2,150
Total expenditure	5,480
Income [9]	-7,700
Net revenue expenditure	-2,220
Fit out costs: building work, security, IT, telephony	2,220
Capital expenditure total	2,220
Balance	0

Note: All budgets at current prices, no allowance for inflation Increased Employee costs to staff all four pounds

Footnotes

1. Increased transport costs due to fork lift needed for pound operation. [\[Back\]](#)
2. No growth in overall MPS premises budget necessary. Allowance made in 2002/03 for expected lease of new pound and disposal of Grove hall will cover lease of Charlton, release of other accommodation currently occupied (eg Hayes pound) not accounted for. [\[Back\]](#)
3. Savings in Recovery expenditure to be used to fund fit out of Charlton. [\[Back\]](#)
4. Increased income, not shown above, may be realised if commitment to further pounds is approved which will allow partnership agreements with TFL and ABI. [\[Back\]](#)
5. Increased Employee costs to staff all four pounds. [\[Back\]](#)
6. Increased transport costs due to fork lifts needed for three further pounds. [\[Back\]](#)
7. Growth for leases of further pounds estimated as no sites identified. [\[Back\]](#)
8. Increase in cost of vehicle recovery due to recovery of wider categories of vehicle. [\[Back\]](#)
9. This growth in income depends on the lease of sufficient pounds to cover the whole of the MPS. Income growth allows for capital expenditure to realise full plan for pan-London operation over 4 years. [\[Back\]](#)