

# Internal Decision Record



**Lancashire  
Constabulary**

police and communities together

<b>Subject:</b>	Vehicle Recovery Service
<b>Author:</b>	Peter Higson, Chris Malkin and Pete Farnworth
<b>Sponsor (e.g. Head of Dept):</b>	Tim Ewen
<b>Decision Required:</b>	To accept the proposal to sign up to the National Salvage Group insurance initiative to offset a proposed price increase and avoid a potential challenge
<b>Date:</b>	15 <sup>th</sup> April,2013,

## Issue for consideration

The contract for a managed vehicle recovery service was agreed by the Director of Resources and awarded to FMG Support(RRRM) Limited for the period 14.1.11 to 13.1.13 with the option to extend to 13.1.15. The contract has now been extended. This relates to the statutory recovery of vehicles from the highway. However, FMG also recover and transfer police vehicles for repair etc.and have submitted a request for a price increase for this element of the contract.in accordance with the rise and fall clause in the conditions of contract.

The basis of this application is that the number of statutory vehicle recoveries in general, has reduced since the start of the contract whilst the number of police vehicle transfers between police sites has increased substantially since the satellite garages at Accrington and Blackpool were closed.

The reduction in the number of statutory vehicle recoveries cannot be taken into consideration as this issue is exempted under our terms and conditions. FMG receive £25 per vehicle from each statutory recovery. However, under the current contract they do not receive any payment for arranging police vehicle transfers between sites,although, the £65 charge is still being paid in full to the recovery operator.

The request for an increase in price would result in FMG receiving a call handling charge of £5 for each police vehicle transfer, with the recovery operator receiving no increase above the current £65.

However, the contractor is prepared to waive this proposed increase provided the Constabulary sign up to the National Salvage Group insurance initiative which is supported by ACPO and currently used by West Midlands Police. FMG would be able to do this as the NSG initiative would generate income for them, although the actual level has yet to be determined.

This initiative involves the notification to the insurance industry of the recovery of accident damaged and stolen vehicles, subject to certain parameters. The only information provided would be the registration and current location of the vehicle. No personal details would be passed to the insurance industry.

The insurance companies included in this initiative include AXA, Admiral, Hastings, Esure and Sabre and represents about 20% of the market.

Whilst this has been agreed by ACPO nationally each force must obtain ACPO approval to release the data which is held by FMG, to the insurance companies involved.

## Governance Framework Section Reference

The Director of Resources has authority under the Scheme of Governance to agree to the Constabulary signing up to the NSG insurance initiative which has been accepted by ACPO nationally.

## Costs

The cost for the recovery of police vehicles currently costs £65 per vehicle, but the contractor has requested that this should be increased to £70. However, if the NSG initiative is accepted then there will be no increase, thus saving the force around £50,000 per annum.

## Risks

If we do not accept the NSG initiative or the increase charge, the contractor could possibly refuse to recover police vehicles.

It should be noted that the NSG scheme has been endorsed by ACPO in an attempt to fend off a challenge from a section of the insurance industry that is attempting to recover vehicles through their own scheme. This scheme could potentially cause the collapse of the current Police Vehicle Recovery system. This force has already been under challenge directly regarding this. (Full briefing package available).

## Consequences

By accepting this proposal the Constabulary will not be subjected to any increase in charges.

## Consultation

The Fleet Manager, Vehicle Recovery Liaison Officer and Data Protection Officer have been consulted.

## Decision (Outcome and Rationale)

The Director of Resources is requested to agree to the acceptance of the NSG insurance initiative with effect from 1.4.13 and to the release of the data to the insurance companies which have signed up to the initiative.

It is proposed that this will be run on a trial basis for one year. Thereafter, the situation will be reviewed to establish if the Constabulary could benefit from additional income from the scheme.

Signed by - Sponsor

Signed by - Decision Maker

Name:

Role:

Date:

Name:

Role:

Date: