



To: Business Coordination Board

From: Chief Executive

Date: 16 December 2016

SECTION 22A AGREEMENT – CHILTERN TRANSPORT CONSORTIUM

1. Purpose

1.1 The purpose of this paper is to provide an update to the Business Coordination Board (“the Board”) on the proposed collaboration agreement with Chiltern Transport Consortium (“Chiltern”).

2. Recommendation

2.1 The Board is recommended to approve the Collaboration Agreements under section 22A of the Police Act 1996 (as amended) in respect of Chiltern Transport Consortium, approval subject to review of draft s22 by Legal Dept.

2.2 The Commissioner is asked to sign Decision Notices to approve the Collaboration Agreement under section 22A of the Police Act 1996 (as amended)

3. Background

3.1 Chiltern Transport Consortium was established to provide greater transport resilience and efficiency gains – largely through exploiting economies of scale.

3.2 A Best Value Review for Bedfordshire Police led to a strategic collaborative partnership with Thames Valley Police (“TVP”) and as a result, Chiltern came into formal operation on 1 April 2004. The success of the initial collaboration (Bedfordshire Police and TVP) led to Hertfordshire Constabulary and the Civil Nuclear Constabulary joining in April 2008.

3.3 Chiltern currently manages a combined fleet of 2,600 vehicles and is ranked as the third largest police fleet in the UK (the Metropolitan Police is the first, with Police Scotland second).

3.4 The creation of Chiltern was based around a commercial business model (excluding profit); this ensured Chiltern members had a complete and transparent record of all costs incurred in the provision of their fleet requirements. The inclusion of all relevant expenditure/charges allows for a fair commercial comparison of costs incurred and charged. The Consortium provides member Forces with a clear financial statement of the economic benefits, enabling each to monitor the financial value of the Consortium. The Joint Governance Board ensures an equitable service to all members.

4. Detailed considerations

4.1 The key areas and advantages the Chiltern collaborative approach provides in delivering a cross border Police fleet service may be summarised as follows:

- Proven continuous evidence of delivering substantial fiscal savings coupled with greater resilience, service delivery and performance over twelve years
- All transactional and administrative activities – strategy, general fleet management, vehicle ordering, invoicing, payments, excise licensing, fuel management, management information, collision and insurance claims handling, accounting services, procurement, etc. centralised through a single lead Force removing volume transactions and the cost of provision from individual member organisations
- Chiltern provides each organisation with fixed budgeting and cost control along with absolute operational independence by invoicing each force one month in arrears for its actual vehicles on fleet and associated expenditure. This is done through a contract hire industry model enabling each member force the option to change the numbers of vehicles, profile or operational role and associated expenditure
- As a Police owned, not for profit, section 22a collaboration, Chiltern offers transparent open book accounting without any compromise on security and leaves absolute direction, control and accountability with the Chief Officers of the member forces
- Each member force is able to decide (from a local perspective) the number of fleet vehicles required and the mix of operational roles to meet their own specific policing requirements. Chiltern manage the make/models/specifications of the vehicles provided in conjunction with the users, this enables greater standardisation and volume which delivers economies of scale not achievable by smaller individual public sector bodies
- Chiltern has developed industry best practice approaches in ‘business to business’ arrangements with its key suppliers that deliver the best possible commercial and competitive private sector practices in the public sector

- Chiltern is able to provide (by using a single fleet management IT software package along with standardised policies, procedures and working practices) relevant, comparable, quality management data and financial information as required.
- 4.2 Since April 2010, Chiltern has made financial savings equating to £3m for the collaboration partners. The predicted annual saving to Cambridgeshire from joining the consortium is estimated as £200k per annum.
- 4.3 In addition to financial savings, joining Chiltern has the potential to satisfy a number of important areas for Cambridgeshire within a relatively short timescale:
- Greater resilience – five senior transport professionals instead of one, ability to use six workshops and move staff/vehicles as required
 - Alignment with the aims and objectives of the Memorandum of Understanding for Organisational and Operational Shared Services between Bedfordshire Police, Cambridgeshire Constabulary and Hertfordshire Constabulary
 - Low risk due to Chiltern track record over previous twelve years and retained reserve
 - Potential for procurement savings due to increased national importance, track record and single point of order and payment covering five Police Forces
 - Hidden savings (financial and process), for example; telematics, vehicle claims handling, IT – fleet management & information systems, accounts management (invoice processing)
 - Standardisation – efficiency savings through vehicle choice aligned to role requirements, processes, contracts etc.
 - Immediate ‘buy in’ to existing structures/agreements – devolved vehicle budgets, accident management, daily rental contract, telematics
 - Ability to meet additional (ad-hoc) vehicle requirements from a larger pool of police specific vehicles
 - Reduced risk and increased flexibility as police on police
 - Quick integration –partial integration could be achieved during 2016/17 with full financial integration from April 2017

- Future-proofing

5. Recommendation

- 5.1 The Board is recommended to approve the Collaboration Agreements under section 22A of the Police Act 1996 (as amended) in respect of Chiltern Transport Consortium, approval subject to review of draft s22 by Legal Dept.
- 5.2 The Commissioner is asked to sign Decision Notices to approve the Collaboration Agreement under section 22A of the Police Act 1996 (as amended).

BIBLIOGRAPHY

Source Document	'Increasing efficiency in the Police Service: The role of collaboration', HMIC 2012 https://www.justiceinspectrates.gov.uk/hmic/publication/increasing-efficiency-in-the-police-service/ Section 22A Agreement under The Police Act 1996 (as amended) – Chiltern Transport Consortium
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