

PFCC Decision Report

Please ensure all sections below are completed

Report reference number: 081-18
Classification: Official
Title of report: Purchase of Telematics Unit
Area of County/Stakeholders affected: All Force vehicles, Transport Services and Finance
Report by : Tony Petts, Transport Services Date of report: 21st May 2018 Enquiries to: Tony Petts, 14-2312

1. Purpose of report

This report seeks approval to convert the current Telematics leasing arrangement into a capital purchase, with a view to achieving revenue savings.

2. Recommendations

To invest £127k in capital funds to purchase Telematics units to generate an £86k overall (capital and revenue) cost saving over the five-year contract life.

3. Benefits of Proposal

Chief Officers approved Telematics technology investment in 2016. It was envisaged that leasing would provide a cheaper, more flexible solution that could react to the vehicle technology market. Two years on, it is evident that the technology development is stable and from a contract point of view an excellent opportunity has arisen to make a significant saving.

The original Telematics business case provided for £114k in capital to fit identification readers and middleware. These funds could be used to support this proposal with a further £13k converted to capital

from the Transport Telematics revenue budget for 2018/19.

4. Background and proposal

Telematics units are being fitted to all police vehicles (excluding covert). At present, the units are paid for monthly via a lease arrangement. The supplier has offered a favourable purchase option that would generate savings of £86k over a five-year term. Further savings would be achieved should the units remain in use after the contract conclusion in five years.

5. Police and Crime Plan

Telematics will provide improved efficiency in managing the fleet, supporting improved deployment and use of assets where demand most requires. Through tracking and driver behaviour reporting the Force will generate savings to meet reduction targets or to re-invest in front line policing.

6. Police Operational Implications

Consultation has taken place with officers and staff through Implementation, operational and strategic boards. Staff associations have been represented and supportive throughout the implementation.

The units will provide reporting data that will enable the Force to better utilise its fleet assets. The Force will be able to understand vehicle demand and focus on improvement in those functions that may be over or under resourced.

7. Financial Implications

The Force would pay £127k in capital funds to purchase telematics units. The £127k would be funded from £114k of existing capital spend previously approved and a further £13k from the Transport Telematics revenue budget for 2018/19 converted to capital.

This would reduce the current line rental per unit from £10.99 per month to £6.23 per month, generating an overall saving (capital and revenue) of £86k over the five year contract life. In revenue terms only, the saving would be £213k.

Summary of Costs				
	Force	One-off Capital	Contract Revenue (5 yrs)	Total
Lease	Essex	£0	£492,572	£492,572
Purchase	Essex	£126,990	£279,229	£406,219
Total savings			£213,343	£86,353

8. Legal Implications

There are no legal implications. Telematics is managed through a contract with a National Framework supplier.

9. Staffing and other resource implications

A capital purchase investment of £127k.

10. Equality and Diversity implications

None.

11. Background papers

None.

Report Approval

The report will be signed off by the OPFCC Chief Executive and Treasurer, prior to review and sign off by the PFCC / DPFCC .

Chief Executive/M.O

Sign:

Paul R Feild

Print: Paul Feild

Date: 5 June 2018

Chief Financial Officer/Treasurer

Sign:

A. S. J.

Print:

ABBEY GROUP

Date:

6/6/18

Publication

Is the report for publication?

YES

NO

If 'NO', please give reasons for non-publication (state 'None' if applicable)

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If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

Redaction

If the report is for publication, is redaction required:

1. Of Decision Sheet

YES

2. Of Appendix

YES

NO

NO

If 'YES', please provide details of required redaction:

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Date redaction carried out:

Treasurer / Chief Executive Sign Off – for Redactions only

If redaction is required, Treasurer or Chief Executive are to sign off that redaction has been completed.

Sign:

Print:

Chief Executive/Treasurer

Date signed:

Decision and Final Sign Off

I agree the recommendations to this report;

Sign: 

Print: R. C. HIRST

PFCC/Deputy PFCC

Date signed: 13/6/18

I do not agree the recommendations to this report because;

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.....
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Sign:

Print:

PFCC/Deputy PFCC

Date signed: