



LONDON FIRE BRIGADE

Report title

Award of Contract for the Supply of Lease Cars

Report to

Date

Corporate Services Directorate Board
Commissioner's Board
Deputy Mayor's Fire and Resilience Board
London Fire Commissioner

18 January 2022
9 February 2022
31 August 2022

Report classification:

For Decision

The subject matter of this report deals with the following LFB strategic priorities:

The best people and the best place to work

Report number – LFC-0665y

For Publication

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DECISION-MAKER

Executive Summary

This report seeks approval for expenditure and award of contract for the supply of lease cars for senior uniformed officers (Station Commander to Commissioner) for responding to incident (999) calls on blue light as well as other business use. Each lease is for the period of 36 months with a 16.6k mileage allowance (50k over the three years).

The main function for each lease is for business use including attending emergency incidents. The vehicles are also available for the officers' personal use and are in the officer's care 24/7 365 days of the year for the duration of the agreed 36-month lease period. The lease car scheme provides a full maintenance package that includes tyres, windscreens, breakdown recovery and full comprehensive vehicle insurance.

Recommendations

For the London Fire Commissioner

That the London Fire Commissioner delegates authority to the Assistant Director, Procurement & Commercial, to award a contract for supply of lease cars up to a value as detailed in part 2 for a contract term of 3 years in order to align with the individual 3-year lease agreement terms with the option to extend a further 2 x 1 year terms.

1. Introduction and background

1.1 The LFB currently operates two vehicle car schemes for senior uniformed officers, the lease car, and the essential users (ECU) schemes. The lease scheme, the larger of the two schemes, has approximately 200 vehicles. It is a fully maintained scheme which includes LFB administration throughout the period of the lease. The ECU scheme has approximately 60 users. This scheme allows the officer to apply to place their own privately owned vehicle on to the scheme. A prerequisite is that officers provide their own business cover vehicle insurance including commuting. However, when officers are on emergency response calls the insurance element is covered by the LFB. For both schemes part of the criteria requests the vehicles meet the LFB's vehicle emission's requirements (CO₂/g/km and NO_x rating). The current emission level settings are 130g/km CO₂/km or less and "moderate" or better for NO_x.

2 Objectives and expected outcomes

2.1 The LFC policy (PN770 Brigade Car Scheme and Milage Rates) provides guidance for both schemes. The majority of the vehicles on both schemes require emergency response equipment e.g., audible warning device, blue beacon, and a covert repeater number plate holder to be fitted to the vehicle. This element is covered under a separate "Reception, Installation/Removal of Emergency Equipment" contract. The remainder of vehicles on the Schemes are FRS staff who, due their existing contractual rights, remain on the scheme. Should these officers leave their posts their replacements will not be offered a vehicle on the lease car scheme.

2.2 A full maintenance package is included with the lease car scheme including tyres, windscreens, breakdown, and relay service. The scheme also includes fully comprehensive motor insurance provision for the vehicles which covers UK, Europe, and Ireland. The maintenance package forms part of the "total lease cost calculation" which includes the following:

- Finance Rental
- Maintenance (including servicing and vehicle recovery)
- Disallowed VAT (10% of the finance rental). Although the LFB is vat registered due to personal use of the vehicle this element cannot be reclaimed from HMRC
- IWT (insurance, windscreen & tyres) costs

2.3 Users may select any make or model commonly available in the UK provided the vehicle meets the LFB emissions criteria which must have a nitrogen oxide (NO_x) rating of moderate (for diesel vehicles) or better and a have a CO₂ rating of less than 130g/km. Each vehicle will also need to have the following:

- A solid roof (no soft tops) that can support either a magnetic or suction mounted beacon
- Minimum engine capacity of 900cc
- Able to carry four (4) adult passengers
- A minimum height restriction of 1200mm
- Able to carry an LFB kit bag in the rear (boot) luggage area

The Brigade put forward a proposal to lower the emission levels currently set at a maximum CO2 rating of 130g/km for each vehicle order. In table 1 below is the agreed schedule commencing April 2022 to reduce the emissions on a descending scale to 120g/km by Oct 2022. From January 2025, all new cars on the scheme must be non-diesel and zero emissions capable, in line with the Mayor's London Environment Strategy.

Date	CO2g/km	NOx Rating
01/04/2022	130 g/km CO2	NOx 'low' for diesel cars
01/10/2022	120 g/km CO2	NOx 'low' for diesel cars

Table 1: Vehicle Emissions

- 2.4 There are currently approximately 200 leased vehicles on the scheme. The main manufacturer makes of these vehicles as at June 2022 are set out in appendix 1. The vehicle totals are given for guidance and information only. The LFC cannot guarantee the make or numbers of cars that will be requested in future:
- 2.5 The LFC reserves the right to review its policy of providing Senior Officers from Station Commander to Commissioner with leased cars which may either decrease or increase the current level. The LFC may also decide to make changes to the way it currently operates its leased car scheme e.g. officers may no longer be able to select any car of their choice.
- 2.6 All new lease vehicles must comply with the latest emissions standards at the time of ordering and in line with the environmental and sustainability policies.
- 2.7 LFB recognises the importance of the Net Zero 2030 Strategy and is committed to achieving sustainable outcomes. Over the life of the proposed contract we will work with lease car providers to achieve more sustainable outcomes including the provision of hybrid or electric vehicle options, as well as exploring longer term options to achieve efficiencies and sustainable outcomes through changes in policy and operational delivery.
- 2.8 Policy 770 (paragraph 4.3) has been updated following discussions with the relevant representative bodies (RB) to ensure from January 2025, all cars added to the scheme will need to be non-diesel and zero emissions capable, in line with the Mayor's London Environment Strategy. To achieve this staff will only be allowed to order cars which are not zero emissions capable until January 2024, this takes account of an estimated 9-15 month vehicle lead time for factory build orders based on current assessment of supply chain timescales¹. Due to this policy and the current profile of the Fleet this will ensure that there will be no non-zero emission capable cars in the lease Fleet from 2027 (it should be noted that this is the worst-case scenario and assumes staff order similar emission cars until they have to order zero emissions capable. LFB will continue to work with staff to encourage sustainable choices at the point that lease agreements renew and we aspire to achieve higher numbers of hybrid or full electric leases than the table below represents, recognising that personal choices are influenced by a greater understanding of the impact of climate change and continuing developments in technology.

Emissions Profile - Orders Based On Current Fleet Profile replacement

¹ Lead times may vary dependent on timescales within the supply chain at a given point in time.

Fuel Type	2022	2023	2024	2025	2026	2027	2028
Petrol	43	43	28	26	9	0	0
Diesel	69	69	64	63	18	0	0
Hybrid	61	61	81	84	146	173	173
Full Electric	4	4	4	4	4	4	4
	177	177	177	177	177	177	177

All officers have to order Zero Emissions capable vehicles from Jan-2025 (Policy 770) see appendix 4

- 2.9 If this was to be accelerated, then additional consultation would be required with the RB's. We are exploring options as to the future provisions for officer cars with Central Operations. This may involve revising the lease car provision and looking at different models for staff car provision including ECUS and salary sacrifice schemes. An options paper is planned for development in Autumn 2022 to provide more detail.

3 Costs

- 3.1 The average annual spend for the lease car scheme over the last four financial years has been £1.2m and is made up of the following:

- Windscreen & Tyres
- Inspections (delivery & return)
- Road Tax (yearly increases)
- Lease Car Insurance
- Lease Car Charge (finance rental and maintenance)
- Insurance Excess (insurance repairs)
- Excess Mileage Charges

- 3.2 The main costs (finance rental & maintenance) are paid to the lease company a year in advance and the Brigade recovers its costs "officer contributions" monthly over the 36 month lease term. The other costs mentioned e.g. excess mileage and RFL increases are charged by the lease company throughout the term of the lease but are not recharged to the lease users; whereas the costs for the tyres and windcreens are added to formula along with the motor insurance premium to create the "IWT" (insurance, tyres and windcreens) cost which is recharged to the officer as part of the annual rental (total lease cost).

- 3.3 To obtain the annual rental "total lease cost" the following costs are used:

- Finance Rental
- Maintenance
- Disallowed VAT (10% of the finance rental)
- IWT (Insurance, tyres & Windcreens)

As part of the calculation an agreed annual subsidy which is index linked is provided by the LFB for each lease which is deducted from the total annual rental. Any remaining costs above the subsidy are met by the officer and paid over a 12-month period. The table in appendix 2 will show high, medium and low monthly contributions.

- 3.4 The finance & service costs in table 3 (appendix 2) are taken from sample quotations supplied by the current leasing companies pre July 2021 which led to vehicle orders being placed. The IWT and subsidy costs are from the IWT calculations and CPI indices (subsidy) for 2020/21 financial year.
- 3.5 EVs are permitted on both schemes (lease and ECU). Currently the monthly contribution costs to the officer are comparatively high when compared to the conventional type engines (diesel and petrol). Going forward LFB will work with providers to make the EV's more competitive and more attractive as a contribution, for example the Brigade could consider decreasing the annual subsidy for diesel, petrol and high CO2 emission hybrid vehicles and increasing the subsidy for mid & low CO2 hybrids and full EV's.

4 Collaboration

- 4.1 Under the Policing and Crime Act 2017, the LFC has a duty to keep collaboration opportunities (with police and ambulance services) under review and, where it is in the interests of efficiency or effectiveness, to put those collaboration opportunities into practice. Colleagues in procurement have examined several collaborative frameworks across the public sector. However, some of the "special" terms and conditions the LFB require, e.g. tyre depths and the administration of penalty charge notices, are not readily accepted by some of the frameworks. The Halton Housing Framework (HHF) which is accessible to LFB, confirmed they were able to add these special terms for any LFC mini competitions. Therefore, this is considered the most appropriate route to market and LFC have used the HHF framework for the last two contract terms.
- 4.2 Wider collaboration was sought from other Fire Rescue Service's and full details of the proposed procurement have been shared to all fire and rescue services via the NFCC ICT Managers group and the NFCC Procurement group. In addition, the procurement opportunity was shared with the GLA Collaborative Procurement group. No collaboration partners have been identified at this time.
- 4.3 Collaboration within the GLA Group i.e. the MET and TFL was also sought, but none of the groups offered a parable scheme that included a full business and personal use options, so could not be considered.
- 4.4 The leased car scheme is an optional alternative to the essential car users scheme and is available to staff who are deemed by the Brigade to be essential users whose duties are of such a nature that it is essential for them to have a car at their disposal whenever required. The ability to have access to a vehicle to attend incidents at need is critical to the delivery of the front line service. Whilst LFB are considering the future options for essential car users it is imperative that users continue to have access to vehicles in order to effectively discharge their duty. It should be noted that any change to the current provision will require consultation with staff side union representatives (FBU, FOA & Prospect). With the two schemes combined the Brigade has a "grey fleet" of approximately 260 vehicles. The majority of eligible officers (77%) chose the option to lease a vehicle rather than providing their own privately owned vehicle. The continuation of the scheme via a framework agreement will allow for this necessary service provision.

5 Equality comments

- 5.1 The London Fire Commissioner and decision takers are required to have due regard to the Public Sector Equality Duty (s149 of the Equality Act 2010) when taking decisions.
- 5.2 It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.

- 5.3 The protected characteristics are Age, Disability, Gender reassignment, Pregnancy and maternity, Marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), Race (ethnic or national origins, colour or nationality), Religion or belief (including lack of belief), Sex, Sexual orientation.
- 5.4 The Public Sector Equality Duty requires the LFC , in the exercise of all his functions (i.e. everything the LFC does), to have due regard to the need to:
- (a) Eliminate discrimination, harassment and victimisation and other prohibited conduct.
 - (b) Advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
 - (c) Foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 5.5 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to:
- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic.
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 5.6 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include steps to take account of disabled persons' disabilities.
- 5.7 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to —
- (a) tackle prejudice, and
 - (b) promote understanding.
- 5.8 A full EIA is being developed in line with the award of the contract and will be in place prior to award.

6 Procurement and sustainability

- 6.1 The Halton Housing Association (HHA) are a housing association who have been providing lease car arrangements for several years across the public sector. They have partnered with Link Asset Services Group to provide the procurement and commercial input to the framework.
- 6.2 Link Group acquired Capita Asset Services from Capita plc which is a recognised provider of outsourced services to the public sector. The new business was renamed as Link Asset Services Group.
- 6.3 The intention is to utilise the HHA Framework Lot 1, which is managed on behalf of HHA by Link Asset Services Group. There are eight suppliers in the Lot and one of these is a small or medium enterprise (SME); this probably reflects the challenge for SMEs to arrange the level of capital needed to provide the services. The framework allows a range of lease contract lengths which fits with Brigade policy. HHA is a Contracting Authority (as defined in PCR 2015) and are entitled to call-off supplies in accordance with the provisions of this Framework Agreement. Link Treasury Services Limited, trading as Link Group of 65 Gresham Street London EC2V 7NV

("Link") is managing the framework on behalf of HHA. The most appropriate lot on the HHF framework is Lot 1 (Contract Hire of Cars and Light Commercial Vehicles up to 5,000 kg G.V.W).

- 6.4 The framework was subjected to a full OJEU procurement and a contract notice, reference 2020/S 210-514715, was placed in the Official Journal of the European Union on 28th October 2020 seeking expressions of interest from Suppliers for the provision of a range of fleet vehicles and associated assets for HHA and other public sector bodies. The contract notice 2020/S 210 514715, confirming the award of the contract, was placed on 19 January 2021.
- 6.5 Organisations likely to access this agreement have asset fleets ranging from less than ten to over 500 vehicles, it is important that smaller organisations such as District Councils and Housing Associations can be supported by this framework. The range of clients serviced by this framework reduces the risk of poor delivery. It allows LFB to be confident that its importance to the framework owner and its suppliers is sufficiently material to ensure that any issues experienced will be dealt with quickly.
- 6.6 The call off contract competitions from this framework will be undertaken in line with the GLA group Responsible Procurement policy, this includes ensuring suppliers are compliant with the Modern Slavery Act. Additionally, given the renewed focus in this area to support London's recovery aims around employment, the skills and apprenticeships requirement will be added where applicable.
- 6.7 Value for money is being supported by a reduced rebate system where manufacturers are only charged a maximum rebate of £10 for individual vehicles valued up to £100,000, thereby removing costs from the supply chain resulting in more competitive quotes from the manufacturers.

7 Strategic Drivers

- 7.1 This is a procurement for the replacement of a business critical service, in ensuring officers can perform their "call out" duties when on rota.
- 7.2 The procurement for the supply of lease cars will allow the LFC to continue to ensure that a both operational and FRS staff are able to carry out their roles, to serve and protect the people of London.

8 Other Considerations

Workforce comments

- 8.1 All the recommendations within the report i.e. vehicle emissions, covert repeater number plate holder etc. were fully consulted with the staff side union representatives (FBU, FOA & Prospect) at both the JCMM and the quarterly Lease Car Forum meetings. Consultation through the two forums will continue with the user specification prior to any mini competition being actioned.

Sustainability comments

- 8.2 The Sustainability comments are contained with the body of this report which identifies the LFB's reduction in carbon emissions as shown in table one (vehicle emissions). We have also seen a steady positive increase in the number of petrol hybrids, PHEV's, and full electric vehicles (EV's) since 2017 accounting for 29% of the lease car fleet which at one point was 92% diesel fuelled vehicles.

Procurement comments

- 8.3 The procurement comments are contained with the body of this report

9 Financial comments

- 9.1 This report seeks approval for expenditure and award of contract for the supply of lease cars. The revenue total cost as laid out in part 2 of the report.
- 9.2 With regard to non-pay inflation: all LFC contractual inflationary increases are reviewed on an annual basis. The LFC budgets for non-pay inflation on an item by item basis, and the LFC will review those assumptions as part of its budget process for 2023/24. If inflation rates are above current assumptions a resulting budget increase will need to be submitted as part of LFC's annual submission to the Mayor's GLA Group budget process and/or the contract will need to be reviewed to assess whether it is possible to reduce the annual cost via a reduction in service. If inflationary increases result in in-year financial pressures, this will be reported on as part of regular financial reporting and met through the use of the Budget Flexibility Reserve. The Budget Flexibility Reserve has a forecast balance of £27.3m as at the end of the 2022/23 financial year.
- 9.3 LFC standard terms and conditions include clauses on indexation and termination that can be utilised in the event that inflationary pressures affect the performance of the contract. If a contract is no longer viable then LFC will seek to terminate it on this basis, or work with suppliers to pause delivery and/or renegotiate what is being delivered. This is preferable to inserting a break clause for inflation as such pressures apply across the market so it is unlikely that benefits will be gained from terminating a contract in order to go back out for competition.

10 Legal comments

- 10.1 Under section 9 of the Policing and Crime Act 2017, the LFC is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the LFC specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
- 10.2 By direction dated 1 April 2018, the Mayor set out those matters, for which the LFC would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the Deputy Mayor).
- 10.3 Paragraph (b) of Part 2 of the said direction requires the LFC to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...". The decision to enter a contract for lease cars for the value described in part 2 of this report will therefore require approval from the Deputy Mayor.
- 10.4 The proposed recommendation is also for the LFC to delegate authority to the Assistant Director of Procurement and Commercial to make a final decision on the contract award for the duration of 3 years (to align with the 3 year individual lease agreement terms) with an option to extend for a further 2 x 1 year terms is permitted under Part 4 of the LFC's Scheme of Governance.
- 10.5 The statutory basis for the actions proposed in this report is provided by sections 7 and 5A of the Fire and Rescue Services Act 2004 (FRSA 2004). Section 7 (2)(a) FRSA 2004 provides that the LFC has the power to secure the provision of personnel, services, and equipment necessary to efficiently meet all normal requirements for firefighting. Section 5A of the same Act allows the LFC to procure personnel, services, and equipment they consider appropriate for purposes incidental or indirectly incidental to the fire services functional purpose.
- 10.6 The proposed procurement of lease vehicles, via the Halton Housing Association Framework Agreement adheres with the duties of the LFC under the Public Contract Regulations 2015.

List of Appendices

Appendix	Title	Open or confidential
1.	Current lease vehicles by manufacturer as at 15 June 2021	Open
2.	Lease Car Sample Calculations	Open
3.	Policy Note 770 - Brigade Car Schemes and Mileage Rates	Open

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

Is there a part 2 form – YES

Appendix 1.

Current lease vehicles by manufacturer as at 13 June 2022

Make of Car	Number
Audi	10
BMW	56
Citroen	2
Ford	2
Hyundai	2
Kia	4
Land Rover	3
Lexus	4
Mazda	1
Mercedes	28
Peugeot	22
Skoda	2
Tesla	1
Toyota	45
VW	5
Volvo	13

Table 2: Lease car by manufacturer as at June 2022



LONDON FIRE BRIGADE

Appendix 2.

Lease car sample calculations

Vehicle Description	CO2g/km	Finance Rental	Service	Diss VAT	IWT	Total Annual Rental	Subsidy	Officer Contr Annual	Officer Contr Mnthly
BMW 3 Series Touring 330e M Sport 5 Door Step Auto	32	5142.72	802.68	514.27	1455.00	7914.67	5265.00	2642.52	220.81
Toyota CHR Hatchback 1.8 Hybrid Design 5dr	112	3470.38	586.45	347.04	1600.00	6003.87	5265.00	742.44	61.87
Audi A3 Sportback 40 TFSI e	29	3913.07	772.47	391.31	1600.00	6676.85	5265.00	1411.80	117.65
BMW 320d Saloon 4 door MHT M Sport	128	5385.60	737.28	538.56	1600.00	8261.44	5265.00	2996.40	249.70

Table 3: Lease car cost calculations



LONDON FIRE BRIGADE

Appendix 3

Policy Note 770 - Brigade Car Schemes and Mileage Rates

Policy | Procedure

Review date: **21 June 2022** Last amended date: **7 April 2022** 770 Issue date: 30 September 2011 1 of 14

Brigade car schemes and mileage rates

New policy number: **770**
 Old instruction number: **PN352, PN511, PN570**
 Issue date: **30 September 2011**
 Reviewed as current: **21 June 2019**
 Owner: **Assistant Director, People Services**
 Responsible work team: **HR Policy Group**

Contents

Part 1 - Essential car users scheme	2
1 Introduction	2
2 Lump sum	3
Part 2 - Leased car scheme	3
3 Introduction	3
4 Implementation	3
Part 3 - Casual car users scheme	4
5 Introduction	4
Part 4 - Cross scheme issues	4
6 Assisted car purchase scheme	4
7 Journeys over 50 miles (not applicable to operational officers who are available for mobilisation).....	4
8 Specification for cars entering the lease and ECUS car user schemes	5
9 Business mileage	5
10 Home to office mileage	6
11 Policies affected	6
Appendix 1 - Specification for cars entering the lease and ECUS car user schemes	7
Appendix 2 – Ultra low emission vehicles	8
Appendix 3 - Home to temporary workplace - examples	10
Appendix 4 - Mileage rates	12
Document history	13

Review date: **21 June 2022** Last amended date: **7 April 2022** 770 Issue date: 30 September 2011

770 Issue date: 30 September 2011 2 of 14

Introduction

This policy details the terms and conditions of the Brigades three car schemes, the essential car users scheme, the leased car scheme and the casual car users scheme. Details of conditions common to all schemes are also set out in this policy.

Mileage rates for all the schemes are found at Appendix 4 of this policy.

Part 1 - Essential car users scheme

1 Introduction

1.1 The essential car users scheme (ECUS) is applicable to officers in the role of station commander to Deputy Commissioner, who have been authorised by the Commissioner to use their private car in the performance of their duties. It is an alternative to the leased car scheme. Staff in other roles (and occupational groups) may be allowed to join the scheme; this must be authorised at Deputy Commissioner level.

1.2 Essential users are those whose duties are of such a nature that it is essential for them to have a car at their disposal whenever required, and the Brigade considers it to be essential in the interests of the efficient conduct of its business that the officer shall be permitted to use their private car in carrying out their official duties.

1.3 Where a temporary promotion to station commander is expected to last for 6 months or more participation in the scheme on a voluntary basis will be permitted.

1.4 The National Joint Council for Local Authorities' Fire Brigades sets lump sum and mileage rates for the Essential car user scheme (ECUS). The Brigade supplements the lump sum rate; the Brigade's current lump sum rates are set out in paragraphs 2.1-2.2 below.

1.5 All cars added to the scheme must comply with the following criteria (effective from 01/04/2022):

- Ultra Low Emission Zone (ULEZ)¹ compliant.
 - 130 g/km CO₂ or less under the Worldwide Harmonised Light Vehicle Test Procedure (WLTP).
 - Diesel cars added to the scheme must have a 'moderate' or better NO_x rating from the GLA Cleaner Vehicle Checker.
- 1.6 From 25 October 2021 all cars on the ECUS must be ULEZ compliant (with an extension to 25 October 2022 considered on a case-by-case basis for officers due to retire). ULEZ vehicle compliance can be checked here: [ULEZ vehicle checker](#).

1.7 From 1 October 2022 onwards all cars added to the scheme will also need to meet the following maximum emission requirement:

- 120 g/km CO₂

¹ The Ultra Low Emission Zone is a Mayoral initiative to improve air quality. From 8 April 2019, vehicles have to meet strict emission standards (Euro 4 for petrol vehicles, which became mandatory for new cars in 2005; Euro 6 for diesel vehicles, which became mandatory for new cars in 2015), or a daily charge of £12.50 has to be paid to travel within the area of the ULEZ, initially the central London congestion charge zone. On 25 October 2021 the ULEZ area expanded to include the inner London area bounded by the North and South Circular roads.

Strategy.

1.9 Further details of the scheme are available on hotwire: [Car-schemes hotwire page](#).

2 Lump sum

2.1 The lump sum applicable to vehicles on the scheme (inclusive of the LFB supplement) is £1,459 per year (£121.58 per month).

2.2 This lump sum was increased by £1000 p.a. wef. 01 December 2018 provided that the scheme vehicle:

- Was ULEZ compliant;
 - emitted 135 g/km CO₂ or less (150g/km CO₂ for cars with vehicle registrations on or after 1 April 2020 under WLTP); and
 - had a 'moderate' or better NO_x rating from the GLA Cleaner Vehicle Checker if diesel powered and added to the scheme after 5 November 2018.
- 2.3 From 01 December 2018 onwards, the additional £1000 p.a. has applied to all cars added to the scheme which by definition have needed to meet the eligibility criteria applicable at the time.

Part 2 - Leased car scheme

3 Introduction

3.1 The leased car scheme is an optional alternative to the essential car users scheme which is available to staff who are deemed by the Brigade to be essential users whose duties are of such a nature that it is essential for

them to have a car at their disposal whenever required, and staff chose the option to lease a vehicle rather than use a privately owned vehicle.

3.2 Further details of the scheme and joining pack are available by emailing Procurement's Vehicle Administration and Monitoring Section – '>VAMS2' in the Outlook address book ('vams2@london-fire.gov.uk').

4 Implementation

4.1 This is a single tier scheme with the Brigade subsidy set at £5265 with effect from 1 April 2021.

4.2 From 1 April 2022 all new cars on the scheme will need to meet the following emission requirements:

- 130 g/km CO₂ or less (under WLTP).
- Diesel cars must have a 'low' NO_x rating from the GLA Cleaner Vehicle Checker
- New cars will already be ULEZ compliant by definition.

4.3 From 1 October 2022 onwards all new cars on the scheme will need to meet the following maximum emission requirement, and only orders confirmed by the VAMs team a minimum of one month prior to the effective date will be honoured:

- 120 g/km CO₂; NO_x 'low' for diesel cars

January 2025, all new cars on the scheme must be non-diesel and zero emissions capable, in line with the Mayor's London Environment Strategy. Officers bringing new cars on to the scheme from this date will need to factor in the required lead-in time (up to 8 months).

4.5 Where a specific model's cost exceeds the Brigade subsidy the employee will bear that additional cost.

4.6 The subsidy will normally be uplifted annually on 1 April each year in line with movements in the car costs index section of the Index of retail prices.

Part 3 - Casual car users scheme

5 Introduction

5.1 The casual car users scheme provides arrangements for staff where the use of a private vehicle is not deemed to be essential by the Brigade, but which is viewed as beneficial to the efficient conduct in carrying out their official duties.

5.2 The decision to allow participation in this scheme will normally be supported by a business case relating to one or more of the following:

- Number and dispersion of venues attended.
 - Requirement for carriage of materials or equipment not safely portable on public transport.
 - A short or long term reasonable adjustment for medical reasons under the Equality Act.
- 5.3 Vehicles must be rated at 150g/km or less. New joiners to the scheme must comply from the date they join the scheme. Existing users must comply upon their next change of vehicle.

5.4 Mileage rates for the Casual car users scheme are the HMRC rates of 45p per mile up to 10,000 miles and 25p per mile thereafter.

5.5 Further details of the scheme are available on hotwire: Car-schemes hotwire page.

Part 4 - Cross scheme issues

6 Assisted car purchase scheme

6.1 Loans may be made to authorised car users to help them purchase vehicles for use for official purposes or to redeem loans granted for such purposes by a previous employer. All vehicles purchased via this scheme, whether for essential or casual car users, must be ULEZ-compliant.

6.2 The interest rate for loans granted under both the essential and casual car user schemes (ECUS and CCUS), is 2.5% per annum.

6.3 Further details of the scheme and application form are available on hotwire: Car-schemes hotwire page.

7 Journeys over 50 miles (not applicable to operational officers who are available for mobilisation)

7.1 All journeys of over 50 miles round trip to be on public transport. Approvals in advance required for any exceptions to this approach. Agreed guidance on exceptions which will include the following:

- Car sharing.

Requirement to transport bulky/expensive equipment or materials.

- Where travelling by car will take significantly less time or the time/location of the meeting would make it unreasonable to undertake the journey by public transport.

8 Specification for cars entering the lease and ECUS car user schemes

8.1 A detailed specification of cars suitable for the Lease and ECUS can be found at appendices 1 and 2 of this policy.

9 Business mileage²

9.1 The Brigade will re-imburse mileage claims for journeys necessarily undertaken in the course of duty once the employee has arrived at work. These expenses are non-taxable.

9.2 Subject to paragraph 10.1, mileage claims for journeys from home (or standby base) will only be re-imbursed when the destination meets the HMRC criteria for being a 'temporary workplace', in which case the expenses are non-taxable. The main criteria for a 'temporary workplace' are as follows (all the following will need to apply):

- The location is not the employee's normal place of work (n.b. where a station commander has responsibility for two stations, both stations are their normal place of work, noting that travel *between* these two stations having arrived, and undertaken work, at one of these stations is business mileage).

- There is an objective requirement for attending that location; attendance at the location is not merely a convenience for the employee.

- *Either*: The location is more than 10 miles away from the employee's normal workplace; *Or*: The journey from home/standby base to the temporary workplace is in a different direction to the journey from home/standby base to normal workplace.
- 9.3 Where the Brigade re-imburses home/standby base to temporary workplace mileage, the mileage from home/standby base to normal workplace must first be netted off.

9.4 The above principles apply to journeys to home (or standby base), i.e. mileage claims from 'temporary workplace' to home/standby base will be re-imbursed, having netted off the mileage from normal workplace to home/standby base.

9.5 Journeys to and from operational incidents to which the officer has been mobilised are always business mileage, and in these cases there is no netting off of mileage between standby base and normal workplace, even where the officer goes from standby base to incident, and then on to normal workplace. Where the employee travels from an incident to home, the maximum mileage that can be claimed for this journey is incident to standby base.

9.6 Examples of home to temporary workplace journeys, and the mileage claimable, are in appendix 3.

²This revised method of calculating claimable home to temporary workplace mileage comes into force on 6 April 2021.

Home to office mileage

10.1 For all staff, other than protected TMG staff, home to office (normal workplace) mileage is not claimable.

10.2 The position of HMRC is that an officer's stand-by base, other than when specifically responding to emergencies (or incidents), is not a 'place of work'. Therefore journeys between normal office and the stand-by base, whether or not the officer is on a 24, cannot be claimed as business mileage.

11 Policies affected

11.1 The information from the following policies has been updated and merged into this policy. They are therefore obsolete and have been deleted:

- Policy number 352 – Car mileage allowance
- Policy number 511 – Essential car users scheme
- Policy number 570 – Leased car scheme