

REQUEST FOR DEPUTY MAYOR FOR FIRE DECISION – DMFD249

2024-25 Light Vehicles Life Replacement

Executive summary:

This report requests the approval of the Deputy Mayor for Planning, Regeneration and the Fire Service to authorise the London Fire Commissioner (LFC) to commit capital expenditure of £565,400 to carry out life replacements for 14 light vehicles, as set out under the 2014 vehicles and equipment contract with Babcock Critical Services.

The existing vans on the London Fire Brigade (LFB) fleet have diesel combustion engines, and the existing cars are hybrid. LFB will be replacing all vans and cars with fully electric vehicles, in line with LFB's decarbonisation strategy.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for 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".

Decision:

That the Deputy Mayor for Planning, Regeneration and the Fire Service authorises the London Fire Commissioner to commit capital expenditure of £565,400 for the purposes of carrying out life replacements for 14 light vehicles as set out under the 2014 Vehicles and Equipment contract with Babcock Critical Services.

Deputy Mayor for Planning, Regeneration and the Fire Service

I confirm that I do not have any disclosable pecuniary interests in the proposed decision.

The above request has my approval.

Signature:



Date: 14 November 2024

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE DEPUTY MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 Report LFC-24-089y to the London Fire Commissioner (LFC) explains that all light vehicles (cars and vans) have a contracted life set out in the 2014 Vehicles and Equipment (V&E) contract with Babcock Critical Services Limited (BCS)). Cars have a contracted life of five years, and vans have a contracted life of seven years. The life replacement of the vehicles ensures they are reliable for an emergency service, and provide up-to-date vehicle technologies that best support London Fire Brigade (LFB) staff. In 2024-25, 14 vans and cars need life replacement – for which LFC seeks approval to commit capital expenditure. The LFC had planned for the expenditure to be split between 2024-25 and 2025-26; however this has been deferred to 2025-26 only, as the vehicle lead times will take delivery past March 2025.
- 1.2 The existing vans on the LFB fleet have diesel combustion engines, and the existing cars are hybrid. LFB will replace all vans and cars with fully electric vehicles. Once BCS has carried out a full procurement process, the purchase costs can be confirmed. These have been estimated based on the last life replacement plus a 10 per cent contingency, and are detailed below. However, due to the forecasts being based on the previous replacement costs, an increase is expected due to the move from combustion engines to electric motors.
- 1.3 The light vehicles are support vehicles, used as people and equipment carriers for LFB departments (such as IT, Operational Resilience and Fire Investigation); and for Babcock Training to facilitate LFB training at dedicated facilities.
- 1.4 LFB is contractually obliged to carry out life replacements of all assets set out in the 2014 V&E contract with BCS. In doing so, LFB benefits from the latest technologies to meet mayoral decarbonisation targets. The light vehicles will be replaced with fully electric solutions, in line with LFB's decarbonisation strategy.
- 1.5 The costs are based on the last replacement costs plus a 10 per cent contingency (£514,000 plus £51,400 – totalling £565,400). The contingency is to cover increased purchase costs from the last replacement round resulting from retail price index (RPI) increases and from buying electric technology. As LFB has not previously procured electric vehicles, it is not clear how much the purchase or the conversions will cost.
- 1.6 The LFC has an allocated budget from the 21-year 2014 V&E contract for the replacement of the light vehicles. The LFC is seeking approval to commit capital expenditure from that budget.

2. Objectives and expected outcomes

- 2.1 The LFC intends to replace all light vehicles with zero-tailpipe-emission solutions in line with mayoral targets. Further light vehicle replacements, following those stated in this report, are set to be completed by 2029, with the majority taking place in 2026-27. A separate Deputy Mayor's decision will be submitted for these, requesting approval for the LFC to commit capital expenditure.
- 2.2 Of the 18 vehicles currently on the fleet requiring life replacement in 2024-25, only 14 will be replaced. This is due to a strategic review being undertaken and identifying that four of the six utility vehicles (SUVs) used by the LFC's department are no longer required. The six SUVs currently allocated to the LFC's department are used as the LFC's incident response fleet; and are also used by other departments, such as the Water Rescue team and the Drone team, to carry people and equipment. By procuring 14 rather than 18 vehicles there is a total saving of £108,000 (as it costs £27,000 to procure each of the four SUVs); this is being used to make up the £514,000. The reduction of the four SUVs will provide a revenue saving of £27,323 per year. The £108,000 has been included within the

£514,000 to fund increased purchase costs for the new vehicles resulting from RPI increases and electric vehicle technology.

- 2.3 The light vehicles forecast of £514,000 (average of £37,000 per vehicle) is based on the last replacement costs and does not factor in RPI increases or the use of electronic technology. For this reason, a 10 per cent contingency of £51,400 (in addition to the £514,000) has been included in the request to commit capital expenditure. This makes a total of £565,400 for 2025-26 for the replacement of the light vehicles.
- 2.4 Each vehicle has a maintenance slot price that covers the 13-week service plan and any required repairs. Emergency response vehicles are serviced by BCS every 13 weeks, in accordance with Chief Fire Officers Association guidelines. This is factored into the annual revenue slot price of each vehicle that BCS charges for. These are replacement vehicles; therefore, the Fleet team's revenue budget already has funding available to continue paying the maintenance costs of the 14 vehicles. This is for the 21-year term of the 2014 Vehicle and Equipment Contract, which expires in 2035. The slot costs are based on the current slot price we pay for the existing vehicles, and is index linked. There will be a saving against the revenue budget of £27,323 per year for the four vehicles we are not replacing. The total annual revenue cost allocated for the maintenance of the 14 vehicles detailed is £71,443. These costs are not part of this decision, and the servicing costs are contained within Property and Technical Support Services Fleet team's revenue budget.
- 2.5 The table below shows the estimated costs of replacing 14 light vehicles:

Item	Capital costs
Procurement of 14 new vehicles	£514,000
10 per cent contingency	£51,400
Total	£565,400

- 2.6 BCS Limited will carry out the life replacement of light vehicles on behalf of the LFC. As part of this process, LFB's Fleet team and BCS will be reviewing all options available for procuring the vehicles under the 2014 V&E contract, providing best value for money.

3. Equality comments

- 3.1 The LFC and the Deputy Mayor for Planning, Regeneration and the Fire Service are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This, in broad terms, involves understanding the potential impact of policy and decisions on different people; taking this into account; and then evidencing how decisions were reached.
- 3.2 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.
- 3.3 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, and sexual orientation.
- 3.4 The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:
- eliminate discrimination, harassment and victimisation and other prohibited conduct
 - advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it

- foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5 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, in particular, to the need to:
- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic
 - 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
 - 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.
- 3.6 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 3.7 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, in particular, to the need to:
- tackle prejudice
 - promote understanding.
- 3.8 An Equality Impact Assessment has been completed and is appended to report LFC-24-089. Moving from manual transmission combustion engines to automatic transmission electric vehicles makes driving LFB vehicles accessible to more LFC staff having a positive impact on users.

4. Other considerations

Workforce comments

- 4.1 It is noted that with the introduction of electric vehicles, there will be a need to update the way in which staff work. For example, it is anticipated that some electric vehicles may require charging more often than combustion engines require refuelling. This will require staff to plan and ensure that the vehicles are fully charged for the journey requirements in preparation for each day.
- 4.2 Although the Fire Brigades Union has not commented on this specific proposal, it has previously supported the electrification of LFB's emergency response driver training cars.
- 4.3 This report requests the approval of expenditure to provide electric vehicles that non-operational and operational staff will be trained in, into the mainstream fleet.

Sustainability comments

- 4.4 At the end of their serviceable life, the cars and vans will be resold by BCS under the provisions of the 2014 V&E contract. The disposal process will fulfil LFB obligations under the Environmental Duty of Care Regulations.
- 4.5 The 2014 V&E contract with BCS provides for the capital replacement of fleet and equipment throughout the 21-year contract. Under the contract, BCS procures new V&E and replaces the existing assets at their life expiry. BCS has policies in place relating to anti-slavery, sustainability and anti-corruption; this is done in accordance with the specifications and approvals issued by the LFC.

- 4.6 A technical Sustainability Development Impact Assessment was completed previously, to ensure LFB only procures from suppliers who share its sustainability values.
- 4.7 The electric vans being procured for Babcock Training have charging facilities available at the dedicated training venues they will be based at. The vehicles being procured for LFB teams, and that will be kept at fire stations, have charging facilities available at the fire stations. The vehicles based at Union Street also have charging facilities in LFB's car park in Sawyer Street.
- 4.8 London benefits from a vast charging network in and around the city. Staff will have the ability to charge vehicles at their base location, and when out and about. There are many fast-charging networks available that staff can easily access, and there will be a charge card allocated to each vehicle.
- 4.9 This report discusses the start of the replacement of LFB's cars and vans, which – if replaced with fully electric vehicles – will have a positive impact relating to the Mayor's target for net zero by 2030, and to air quality in London.

Procurement comments

- 4.10 All the V&E to support the LFC's operation are provided through a long-term contract with BCS. The procurement and commercial approaches are discussed and agreed between the LFC and BCS to arrive at the solution that provides best value for money overall.
- 4.11 An independent procurement process will be conducted by BCS, on behalf of the LFC, to provide the appropriate solution.

Conflicts of interest

- 4.12 There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.

5. Financial comments

- 5.1 This report recommends that capital expenditure of £565,400 for the purchase of 14 vehicles is agreed in 2025-26.
- 5.2 This expenditure will be contained within the LFC's capital budget for light vehicles in 2025-26. LFC had planned for the expenditure to be split between 2024-25 and 2025-26. However, this has been deferred to 2025-26 only, as the vehicle lead times will take delivery past March 2025.
- 5.3 The report also notes that the reduction in the number of vehicles required will result in a capital saving of £108,000; and a revenue saving of £27,323, based on a like-for-like replacement. The capital saving has been factored into the outturn capital forecast as at quarter 1 2024-25. The revenue saving of £27,323 per year will be for the remaining life of the BCS contract.
- 5.4 If the expenditure of £565,400 is funded through borrowing, then this will result in total additional annual revenue capital financing costs of £125,700, made up of £94,000 in minimum revenue provision, and £31,700 in interest payments, assuming a six year annual life of the vehicles. The capital financing cost of servicing this debt will be included as part of the LFC's Budget submission to the Mayor in November 2024.

6. Legal comments

- 6.1 This report seeks approval to commit expenditure of money set out in the report.

- 6.2 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.
- 6.3 Section 327D of the Greater London Authority Act 1999, as amended, 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.
- 6.4 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 Planning, Regeneration and the Fire Service (the Deputy Mayor). In particular, paragraph (b) of Part 2 of that 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 is identified in accordance with normal accounting practices”. The proposed expenditure exceeds this financial threshold, accordingly, prior approval from the Deputy Mayor will be sought.
- 6.5 The report confirms the replacement vehicles will be sourced by BCS Limited under the terms of the contract awarded by the LFC, following an open procurement exercise in accordance with the Public Contract Regulations 2015.
- 6.6 Having fit for purpose vehicles will ensure that LFB can fulfil its core duties.
- 6.7 These comments have been adopted from those provided by the LFC’s General Counsel Department in report LFC-24-089 to the LFC.

Appendices and supporting papers:

Appendix 1 – Report LFC-24-089y – 2024-25 Light Vehicles Life Replacement

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

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? NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer

Soeli Dayus has drafted this report with input from the LFC and in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service

Niran Mothada has reviewed the documentation and is satisfied for it to be referred to the Deputy Mayor for Planning, Regeneration and the Fire Service for approval.

✓

Advice

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board

A summary of this decision was reviewed by the Mayoral Delivery Board on 4 November 2024.

CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:



Date:

14 November 2024