

## PART 2 – CONFIDENTIAL FACTS AND ADVICE

**DMFD244**

### **Water supply contract**

*Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Information Governance team for advice.*

#### **This information is not for publication until the stated date, because:**

Disclosure of the information included in this report would be likely to prejudice the commercial interests of the London Fire Commissioner (LFC).

**Date** at which Part 2 will cease to be confidential or when confidentiality should be reviewed:  
31 October 2024

#### **Legal adviser recommendation on the grounds for not publishing information at this time:**

Publication of the information included in this report is deferred as its disclosure would be likely to prejudice the commercial interests of the LFC.

#### **Legal recommendation on the grounds of keeping the information confidential:**

In the event the information contained in this Part 2 and/or its appendix is the subject of a request for information under section 1 of the Freedom of Information Act 2000 (the Act), it is considered that access can be denied on the basis that such information constitutes exempt information under: section 43(2) of the Act, on the basis that the information in this report includes information that is exempt information if its disclosure under this Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).

At present, on balance, it is considered that the public interest is best served if the information is not disclosed at this point. Disclosure by the LFC would be likely to have a detrimental effect on the LFC's position and related commercial interest regarding the expenditure incurred in relation to procuring water supply services.

**Legal Adviser** – I make the above recommendations that this information should be considered confidential at this time.

**Name:** TfL Legal

**Date:** 27 July 2024

*Once this form is fully authorised, it should be circulated with Part 1.*

**Confidential decision and/or advice:**

The water-supply contract is an essential service to provide portable water to all LFB premises. It ensures the health and welfare of the occupants; and enables operational and training tasks to be undertaken. The current water-supply contract with Wave is due to expire on 27 October 2024. This contract was for two-and-a-half years.

The Deputy Mayor for Planning, Regeneration and the Fire Service is requested to authorise the LFC to commit revenue expenditure of up to £997,000 to provide water supplies over three years. The contract would run from 28 October 2024 to 31 October 2027.

The approved budget for water and sewage services is £332,000 for 2024-25. The budget has been based on the actual spend for 2023-24 (£276,000); and includes an allowance for increases in the wholesale and retail markets, and a contingency for use. Thames Water, LFB's wholesale supplier, announced a cost increase for 2024-25 of 8.2 per cent, in line with the water industry's regulating body, Ofwat. This is above the RPI increase applied to the budget. However, allowing for a 5 per cent reduction in consumption due to planned interventions, the forecast spend of £997,000 over the three years is expected to suffice.

**Financial comments**

This report seeks authority to commit revenue expenditure of up to £997,000 to provide water supplies for a three-year contract term. The contract is expected to run from 28 October 2024 to 31 October 2027.

The annual budget for this service is set at £332,421 for 2024-25 under the Property Department within the Corporate Services Directorate. Therefore, the full £997,000 across the three years will be covered from existing budget allocations.

Should it become necessary, it is expected that any annual inflationary increases within the procurement period will be based around the Retail Price Index. It is expected that the contingency would be used to account for any inflationary increases.

All LFC contractual inflationary increases are reviewed annually. The LFC budgets for inflation on an item-by-item basis, and the LFC will review those assumptions as part of its budget process.