

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DMFD231

Emergency Response Driver Training Cars

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This information is not for publication until the stated date, because:

Publication of the information included in this report is deferred as its disclosure 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 December 2024

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

In the event the information contained in this Part Two 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).

Public interest assessment

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 for the purposes of new and enhanced Emergency Response Driver (ERD) training vehicles.

The eligibility of these exemptions should be reassessed in the event of an FOI request for this information, as the level of sensitivity will change over time and different circumstances may alter the arguments in favour of non-disclosure.

This report is commercially sensitive and so is exempt from the Act. The recommended period for non-publication of Part 2 is one year after publication.

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

Name: Diane Maino

Date: 7 February 2024

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

Confidential decision and/or advice:

The total purchase cost of the eight cars is estimated to be a £450,000 capital expenditure in 2024-25; and £112,000 revenue expenditure over five years starting in 2024-25. £120,000 of the capital expenditure, and £28,000 of the revenue expenditure over the five years, will be funded under London Fire Brigade's (LFB's) Asset Replacement Programme contract with Babcock Critical Services Limited (BCS). This is included within the five-year and 20-year forecasts. The £120,000 of capital expenditure will be funded through borrowing via the capital programme.

The overall whole-life cost for the capital purchase and revenue maintenance cost of eight ERD Training cars is estimated not to exceed £562,000.

The remaining £330,000 of capital expenditure will be funded from LFB's Learning and Professional Development department's 2023-24 revenue budget allocation. The remaining £84,000 revenue expenditure over five years will also be funded from the Learning and Professional Development department's revenue budget allocation, starting in 2023-24. The cost of this capacity for future capital purchases beyond the initial five-year period will be considered as part of the annual budget process and capital strategy.

Revenue slot cost

The LFC pays annual slot costs against all assets under the BCS Vehicles and Equipment Contract 2014 (V&E contract). The slot cost is for checks and maintenance carried out by BCS to ensure the safety of LFC vehicles. Currently, the slot cost for an existing training car is £1,668. However, the estimated slot cost for a hybrid training car is projected to be £2,800; this increase is partly due to annual RPI increases. The final slot cost cannot be determined until the winning tender has been selected by the LFC, and the corresponding slot costs are provided by BCS at the end of the procurement process.

The revenue budget for the existing two training cars' slot cost is already funded under the Asset Replacement Programme, meaning no additional revenue growth is required for their operation. However, for the additional six cars, both the revenue slot cost and the capital purchase cost will need to be funded by Learning and Professional Development. The revenue growth needed to sustain these six additional training cars amounts to £84,000 over the five-year life of the cars.

| Training car slot cost estimates | Unit slot price (P/A) | No. cars | Total slot cost (P/A) | Contracted life (years) | Total slot for 5 years |
|----------------------------------|-----------------------|----------|-----------------------|-------------------------|------------------------|
| Two existing cars | £1,668 | 2 | £3,335 | 5 | £16,675 |
| Six new additional cars | £2,800 | 6 | £16,800 | 5 | £84,000 |
| Two existing replacement cars | £2,800 | 2 | £5,600 | 5 | £28,000 |
| Total for 8 cars | | 8 | £22,400 | | £112,000 |

Capital purchase costs

Based on the findings of a light market engagement conducted by BCS on behalf of the LFC, it is estimated that standard Emergency Fire Appliance Driver training cars can be purchased at a maximum cost of £50,000 per car. Additionally, there is an estimated maximum cost of £5,000 per car for blue-light conversion. Since six additional cars are needed, Learning and Professional Development will need to allocate £330,000 from their funds. These cars are not currently accounted for in the Asset Replacement Programme; and are not included in LFB's forecasted capital spend under the V&E contract.

The two existing training cars, which are covered under the V&E contract, will be replaced by two higher-performance vehicles specifically for Senior Officer ERD training and Instructor Driver training. The LFB Fleet department's capital forecast allocates £35,000 per car for their replacement by March 2024, based on the price of the previous procurement. However, due to the enhanced specifications required, the RPI increase since 2016, and the need for zero-emission capable vehicles, the estimated cost for each replacement vehicle is expected to be up to £55,000, with an additional cost of up to £5,000 per vehicle for blue-light conversion.

The table provided below offers an estimate of the purchase costs, which are subject to change pending a complete procurement process:

| Training car purchase estimate | Est. unit cost | No. required | Total purchase cost | Blue-light conversion cost (est. £5k) | Total |
|---------------------------------------|-----------------|--------------|---------------------|---------------------------------------|-----------------|
| Standard car | £50,000 | 6 | £300,000 | £30,000 | £450,000 |
| Enhanced-performance car | £55,000 | 2 | £110,000 | £10,000 | |
| Total | £105,000 | 8 | £410,000 | £40,000 | |

Overall estimated cost

The table below details an overall estimated budget of £562,000, to be approved by the LFC for the replacement of two training cars and the purchase of six additional training cars. £148,000 of this budget will be funded under the LFB Fleet department's Asset Replacement Programme contract with BCS. The remaining £414,000 will be funded by LFB's Learning and Professional Development department, as detailed above.

| Total estimated budget required | Capital purchase | Capital conversion | Revenue slot (5 years) | Total cost |
|--|------------------|--------------------|------------------------|-------------------|
| Fleet budget | £110,000 | £10,000 | £28,000 | £148,000 |
| Learning and Professional Development budget | £300,000 | £30,000 | £84,000 | £414,000 |
| | | | | £562,000 |