

REQUEST FOR DEPUTY MAYOR FOR FIRE AND RESILIENCE DECISION – DMFD130

Interest-free loans for ULEZ-compliant vehicles, for LFB station-based staff who undertake standbys

Executive summary:

This report seeks the approval of the Deputy Mayor for Fire and Resilience for the London Fire Commissioner (LFC) to introduce a scheme for interest-free loans, to enable station-based staff who may be required to undertake standbys to purchase a ULEZ-compliant vehicle.

The maximum loan value per individual employee will be £4,000, with the total number of loans not exceeding 250. The maximum amount of repayable expenditure required to be authorised is £1,000,000.

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 Fire and Resilience authorises the LFC to introduce a scheme for interest-free loans, to enable station-based staff who may be required to undertake standbys to purchase a ULEZ-compliant vehicle, with a maximum expenditure on loans at any one time of up to £1,000,000.

Deputy Mayor for Fire and Resilience: David Bellamy on behalf of Dr Fiona Twycross

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

The above request has my approval.

Signature:



Date:

24 November 2021

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

Decision required – supporting report

1. Introduction and background

- 1.1 Report LFC-0571 to the LFC sets out the background for the request to introduce a scheme for interest-free loans to enable station-based staff who may be required to undertake standbys to purchase a ULEZ-compliant vehicle.
- 1.2 The Ultra-Low Emissions Zone (ULEZ) was introduced by the Mayor of London on 8 April 2019. This is an important environmental initiative to help improve air quality in Central London. Initially the ULEZ area was coterminous with the congestion charge zone. The drivers of cars, motorcycles, vans and other specialist vehicles have to meet the ULEZ emissions standards or pay the £12.50 daily charge when driving within the ULEZ. The ULEZ operates 24 hours a day, seven days a week, every day of the year except Christmas Day.
- 1.3 At the time of the introduction of the ULEZ, London Fire Brigade (LFB) took a number of measures to mitigate the impact, particularly for operational staff based within the zone (as set out in report LFC-0178z to the LFC). This included reimbursement of the ULEZ charge for a 12-month period for watch-based staff based in the zone, who incurred the charge when travelling to work and who were required to undertake standbys. LFB also offered an interest-free loan of up to £9,000, repayable in monthly instalments over a four-year period, to watch-based staff based within the ULEZ area who did not have a ULEZ-compliant vehicle. This loan was for the purpose of purchasing a ULEZ-compliant vehicle.
- 1.4 LFB made it clear at the time that it would cease all reimbursements of the ULEZ charge after 8 April 2020. However, in light of the COVID-19 pandemic and the advice to avoid using public transport, LFB reinstated reimbursements for a four-week period, 18 May to 14 June 2020, for staff required to travel to work who incurred the ULEZ charge.
- 1.5 On 25 October 2021 the ULEZ expanded significantly, up to (but not including) the North and South Circular roads. Before this change there were three fire stations, plus Lambeth River station, inside the ULEZ; now, 47 fire stations are inside the ULEZ area and 56 outside, including three on the boundary.

2. Objectives and expected outcomes

Standbys

- 2.1 LFB is unusual in that it employs a large number of staff, i.e. operational station-based staff, who pose an advantage to the employer by driving to work. This is because these staff are required to undertake 'standbys' to keep appliances 'on the run' (i.e. in service), and in the great majority of cases it is quicker to undertake a standby by car (see table at paragraph 1.12, below). Station-based staff are fully entitled to use public transport to undertake standbys (they may not drive/own a car, and they cannot be compelled to bring a car to work), and some do, but those who have cars will ordinarily prefer to use those cars; the resulting quicker standby journey

brings benefits to LFB, as explained below. No data is kept on the numbers of standbys that are carried out on public transport, but anecdotally this is known to be a low figure at present.

- 2.2 A 'standby' is where a station-based employee works a shift from a different station to their normal one. This is in order to keep an appliance on the run, enabled by a staff shortage at one station and spare staff at another station. Standbys are either 'direct' standbys, which are arranged in advance with the employee travelling directly to the new station for commencement of shift; or 'on-shift' standbys, which are arranged up to the shift in question, with the employee travelling to the new station after arriving for work at their normal base station. It is on-shift standbys that are relevant for the issue of speed of travel to the new station. In most cases on-shift standbys are arranged at the commencement of a shift, but they can take place at any time during the shift, if a staff shortage emerges at a particular station that takes an appliance off the run.
- 2.3 Over the past two years there have been on average 40 on-shift standbys per shift (in 2019-20 there were approximately 28,500 on-shift standbys averaging 39 per shift; in 2020-21 there were approximately 30,000 on-shift standbys, averaging 41 per shift). The on-shift standbys relevant to this report are those that include at least one station within the expanded ULEZ; those that take place exclusively outside the expanded ULEZ will not be impacted by ULEZ expansion. No data currently exists on the numbers/percentage of standbys that are exclusively outside the expanded ULEZ, but as 56 stations are outside the expanded zone, and 47 are inside it, it can be estimated that 37 per cent of all possible journeys between two stations will either be exclusively outside the zone, or will involve one of the four stations previously inside the ULEZ (and so will not represent a new journey within the ULEZ when the ULEZ expands). Using the average figure of 40 on-shift standbys per shift, and assuming 37 per cent of these will either be exclusively outside the zone or involve a station already within the ULEZ, this gives a figure of 18,396 on-shift standbys per year that will take place within the ULEZ for the first time when the ULEZ expands.
- 2.4 From a staff survey undertaken in May 2020 (see paragraph 2.13, below, and Appendix 1 to the appended report LFC-0571), 72 per cent of station-based staff stated that they currently drive to work in a non-ULEZ compliant vehicle, as opposed to using other transport means. If this 72 per cent figure is used in conjunction with the figure of 18,396 'new' ULEZ-related on-shift standby journeys per year, this means that from 25 October 2021 there will potentially be 13,245 on-shift standby journeys per year, where station-based staff will face incurring the ULEZ charge for the first time unless they change their mode of transport, or acquire a ULEZ-compliant vehicle.
- 2.5 In order to assess the impact of longer on-shift standby journeys, it is necessary to understand what happens at change of shift when most on-shift standbys are arranged. For on-shift standbys at the start of shift, in order to keep LFB appliances on the run (available for mobilisation to an incident), an employee at the receiving station is required to 'hang on' (i.e. stay behind at the end of a shift) for up to one hour, waiting for the standby to arrive, and can hang on for longer voluntarily; periods of hanging on are overtime, paid at time-and-a-half. There is no requirement for hanging on to keep appliances on the run, although staff may volunteer to do so, in which case they will be paid overtime. No records are kept for how many appliances are kept on the run by hanging on, as this is a voluntary activity, but this certainly takes place. The view of officers in the Establishment and Performance team at LFB, who organise standbys, is that this voluntary hanging on is undertaken most often at change of watch in the morning, as opposed to in the evening. Where staff do not volunteer to hang on to keep a pump on the run, it will remain off the run until the standby arrives at the station.

- 2.6 It is also the case that for the day shift, ordinarily all standby moves can take up to more than two hours to complete, taking this beyond the compulsory hanging-on period of one hour. Therefore, additional time taken to complete a standby move either costs additional money in terms of increased overtime payments, or means an appliance is off the run for a longer period.
- 2.7 As stated above, in most cases it is quicker to undertake a standby by car than by public transport. The table below shows 20 actual on-shift standby moves, on the day shift, on a specimen day – in this case 4 August 2021. The footnotes explain how the time by public transport, and the time by car, have been derived. These standby journeys all include at least one station within the expanded ULEZ, and exclude journeys involving those four stations already inside the ULEZ.

Table showing time taken to travel between stations for 20 on-shift standby journeys, which took place on 4 August 2021

Station 1	Station 2	Distance (miles)	Time by public transport ¹ (minutes)	Time by car ² (minutes)	Difference (minutes)
Acton	Finchley	9.9	86	27	59
Chelsea	Croydon	10.1	80	45	35
Chiswick	Wembley	5.6	51	22	29
Clapham	North Kensington	6.9	65	33	32
Dockhead	Kentish Town	6.2	50	36	14
Dockhead	Tooting	6.9	50	36	14
East Ham	Barking	1.7	28	4	24
Edmonton	Bethnal Green	7.9	49	33	16
Eltham	Lee Green	2.1	25	8	17
Erith	East Greenwich	9.2	62	23	39
Euston	Wembley	8.6	51	33	18
Greenwich	Old Kent Road	3.0	38	17	21
Homerton	Walthamstow	3.7	51	19	32
Lewisham	Bexley	8.6	49	23	26
Park Royal	Stanmore	7.2	70	26	44
Plaistow	Barking	2.9	43	6	37
Plaistow	Holloway	9.0	74	41	33
Plumstead	Stratford	8.4	55	30	25
Tottenham	Walthamstow	2.4	33	11	22
Wimbledon	North Kensington	9.3	73	43	30
Average			54.1	25.8	28.3

¹ 'Time by public transport' is taken from Transport for London's Journey Planner, based on the fastest public transport time at 10am on a weekday. The time includes walking between the station and the public transport point(s).

² 'Time by car' is taken from the AA Route Planner, based on the quickest route between 9.30am and 10am on a weekday, with average traffic conditions (the 'avoid current traffic' option was not selected). It is accepted that these times are likely to be subject to more variation than average times by public transport, e.g. where traffic conditions are heavy.

- 2.8 In the above table, the data gives an average of 28.3 additional minutes for a standby to be undertaken by public transport, as opposed to by car. It is accepted that this is a small sample; however, a pattern does emerge, and in every single example the public transport journey takes longer than driving. This is not surprising since in many cases it will take time to walk between the fire station and the nearest public transport point. It should be noted that taking public transport or driving are the only realistic options for undertaking a standby. Cycling is not possible due to the amount of equipment that needs to be transported on a standby, and walking between two fire stations will generally take too long given the impact of additional overtime and/or the additional time an appliance will stay off the run.
- 2.9 At paragraph 1.9 it was calculated that following ULEZ expansion there would potentially be 13,245 on-shift standbys per year, where station-based staff would face incurring the ULEZ charge for the first time. If in all these cases the staff concerned chose to use public transport for the standby, and if in all these cases the appliances were kept on the run by staff hanging on, including on a voluntary basis, the additional overtime bill would be £168,000. This calculation uses the figure of an average additional 28.3 minutes to complete a standby by public transport, and the median station-based salary (firefighter competent plus). However, this is a maximum figure, as firstly some of the staff in question may choose to continue driving their non-ULEZ-compliant vehicle and to incur the ULEZ charge, or to acquire a ULEZ-compliant vehicle. The staff survey (see paragraph 2.19, below), indicated that only 34 per cent of this cohort would use public transport for standbys. If this is borne out, it would reduce the maximum additional overtime bill to £57,000. The same survey question indicated that 40 per cent of this cohort would continue to drive their non-ULEZ-compliant car on standbys, which would mean they would be incurring significant ULEZ charges (in excess of £2,000 per annum). Secondly, the maximum overtime figure will reduce, as in some cases appliances will be off the run, as staff will not be volunteering to hang on. Using the average additional 28.3-minute figure for a standby by public transport, if on average one appliance was off the run on every shift for this extra 28.3-minute period, the annual additional overtime figure would reduce by £9,275. This figure would be doubled for an average of two appliances off the run on every shift for the 28.3-minute period, and so on.
- 2.10 Leaving aside the additional time taken to complete a standby by public transport, as opposed to car, there are further advantages to station-based staff using cars rather than public transport for standby journeys. These are detailed below.
- First and foremost, there could be safety concerns for a lone LFB employee travelling around London using public transport late at night. The safety concerns are particularly relevant for female station-based staff undertaking standbys, an already under-represented group amongst operational staff; the safety agenda for lone women in London is currently a potent issue. Around 41 per cent of all on-shift standbys take place on the night shift, and for six months of the year, between late September and late March, the night shift commences in darkness (at least 70 minutes after sunset). This gives nearly 6,000 on-shift standbys per year taking place in the dark. In addition, standby moves can be arranged at any time of the day or night. It is therefore possible for standby moves to be required very late at night when the public transport service is reduced or non-existent. There is no data on the number of on-shift standbys which take place when public transport is not running, and they are infrequent, but they can happen.
 - When undertaking standbys, station-based staff need to transport their personal protective equipment in a bulky kit bag. It is far more convenient to transport this in a car than to take it

on public transport, and the same applies for the walk between the station and the public transport point. This is particularly true for standbys from Fire Rescue Unit stations with Urban Search and Rescue capability who carry additional kit. There are five such stations, two of which are in the expanded ULEZ.

- If a station-based employee drives to work (e.g. to a station outside the expanded ULEZ) and then undertakes a standby into the expanded zone, using public transport, they will need to return to their base station at the end of their shift. This will extend the time before they are able to leave work. If they use their car, they will be able to drive home directly.

2.10 For all the above reasons, it is recommended at this time that LFB seeks to mitigate the impact of the expansion of the ULEZ on 25 October 2021, through schemes that still enable station-based staff to use a vehicle to undertake standbys, rather than promoting widespread use of public transport for this purpose.

LFB staff survey

2.12 As referenced above in this report, earlier this year, in May 2021, LFB undertook a survey of all station-based staff to assess the impact of the forthcoming expansion of the ULEZ. Approximately 15 per cent of station-based staff responded to the survey. The headline outcomes from this survey are attached at Appendix 1 to the appended report LFC-0571. Key information from these findings relevant to this decision includes the following:

- 72 per cent of respondents currently drive to work in a non-ULEZ-compliant vehicle
- 20 per cent of the above group stated they would be acquiring a ULEZ-compliant vehicle before 25 October 2021; 43 per cent said they would not
- 70 per cent of those who drive a non-ULEZ-compliant vehicle to work said they would be interested in an LFB interest-free loan to purchase a ULEZ-compliant vehicle
- among those who currently drive to work in a non-ULEZ-compliant vehicle, 40 per cent said they would continue to drive in a non-compliant vehicle to undertake standbys or pre-arranged overtime, while 34 per cent said they would use public transport.

Interest-free loan scheme to purchase a ULEZ-compliant vehicle

2.13 It is proposed to introduce an interest-free loan scheme, to assist station-based staff who undertake standbys, to purchase a ULEZ-compliant vehicle. As stated in paragraph 1.3, in 2019 an interest-free loan scheme was introduced for this purpose, for watch-based staff based within the newly introduced ULEZ. That loan was for a maximum of £9,000, repayable over four years. Forty-one such loans were requested and processed. However, a loan of that size for a new scheme will potentially cause cash-flow issues, given the much larger potential audience – 47 fire stations will be in the expanded ULEZ, as opposed to four in the current ULEZ. Given that all petrol vehicles registered after 2005 will generally be ULEZ-compliant, it will be possible to purchase a second-hand compliant vehicle for considerably less than £9,000. The proposals for the new scheme are as follows:

- a maximum loan of £4,000, which could be used as part-payment towards a more expensive ULEZ-compliant vehicle if the employee prefers

- a cap on the number of staff able to access the scheme at the same time, to be set initially at 250
- a loan repayable over two years by monthly deductions from payroll
- the full loan repayable on termination of employment if the employee leaves LFB service before the loan is paid off
- eligibility restricted to station-based staff required to undertake standbys.

2.14 Authorisation is being sought for expenditure of up to £1,000,000 (250 loans at £4,000) at any one time on the provision of interest-free loans.

Financial impact

2.15 The financial impact of the interest-free loan scheme will be the loss of interest to LFB on sums loaned. If LFB assume a take-up of 250 loans at £4,000, it is estimated that the loss of interest to LFB will total up to £5,000 per annum, based on an interest rate of 0.5 per cent.

2.16 The scheme will also introduce a financial risk on the repayment of the loans. However, recovering the loan via the payroll, and making the loan repayable in full on leaving LFB, leads to the expectation that this risk would be fully mitigated.

Alternative options considered

2.17 Two alternative options to this proposal were considered, but rejected.

- The first was to reimburse the ULEZ charge for LFB staff undertaking standbys. Whilst this would be popular with staff, this would undermine the ULEZ initiative, and therefore the Mayor's Environmental Strategy. It would be prohibitively expensive and would also be damaging reputationally, if one part of the GLA were using public funds to subsidise staff incurring the ULEZ charge, which is a flagship Mayoral initiative. This option therefore cannot realistically be entertained.
- The second was to do nothing. It can be argued that LFB has given plenty of warning to staff of the expansion of the ULEZ, and it has long stated that if staff wish to drive within the zone without incurring the charge after 25 October 2021, they need to acquire a ULEZ-compliant vehicle. However, this is not straightforward for employees, if domestic budgets are tight. Alternatively, it can be argued that if staff wish to avoid incurring the ULEZ charge they can use public transport to travel to work and undertake standbys. However as noted earlier, LFB has an interest in staff using their cars for standbys, and it is therefore felt that LFB should be implementing schemes to mitigate the impact of the ULEZ expansion, where staff wish to drive to work and currently own a non-ULEZ compliant vehicle.

3. Equality comments

3.1 The LFC and the Deputy Mayor for Fire and Resilience 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 (EIA) has been undertaken in preparing this report, and this is at Appendix 2 in the appended report LFC-0571. The EIA for this report shows only positive impacts, as the proposal is for an additional employee benefit, i.e. an interest-free loan scheme to assist the purchase of a ULEZ-compliant vehicle, in order to mitigate the potential adverse impact of the expansion of the ULEZ for some individuals, that is, the much more frequent incurring of a daily £12.50 charge for those whose current vehicles do not meet ULEZ emissions standards. The profile of those operational staff who may be required to undertake standbys is similar to that of

the operational staff group as a whole; this is because 86 per cent of operational staff fall into this category. LFB does not have data broken down by protected characteristic for those staff required to undertake standbys, and who currently drive a non-ULEZ-compliant vehicle to work, compared to those who travel to work by other means (including in a ULEZ-compliant vehicle). However, this would not affect the overall positive impact across all protected characteristics of introducing this additional employee benefit.

4. Other considerations

Sustainability implications

- 4.1. The interest-free loan scheme will have a positive impact for LFB's sustainability agenda, and the Mayor's Environmental Strategy, as it will enable staff to switch to driving ULEZ-compliant vehicles as opposed to non-ULEZ compliant vehicles. There are no direct Procurement impacts for the interest-free loan scheme.

5. Financial comments

- 5.1 This report proposes the introduction of a scheme to provide interest-free loans to staff that are available for stand by duties to purchase a ULEZ compliant car. These short-term loans to support the scheme will be provided from cash balances. The impact on cash flow will be considered as part of existing processes, which will include working with the Group Investment Syndicate. The cash flow impact is expected to be manageable based on the maximum amount of up to £1,000,000. The loan scheme will lead to the loss of interest income on the total amount of the loans provided, which could otherwise have been deposited in the GLA Group Investment Syndicate. This is estimated to cost up to £5,000 per annum, based on a maximum of 250 loans at £4,000 and an interest rate of 0.5 per cent. The costs of this will be managed within the forecasts on interest receipts from the GLA Group Investment Syndicate.
- 5.2 There are no direct financial implications for the GLA.

6. Legal comments

- 6.1. 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.
- 6.2. The proposed recommendation is also for the LFC to delegate authority to the Assistant Director of Finance, in consultation with the Assistant Director for People Services, to determine the final details of the scheme; this is permitted under the LFC Scheme of Governance.
- 6.3. The statutory basis for the actions proposed in this report is provided by section 112 of the Local Government Act 1972 (LGA 1972) which states, inter alia, that the Commissioner "shall appoint such officers as they think necessary" and that those officers "shall hold office on such reasonable terms and conditions, including conditions as to remuneration, as the authority appointing him think fit".
- 6.4. Section 5A of the Fire and Rescue Services Act 2004 allows the LFC to do "anything it considers appropriate for the purposes of the carrying out of any of its functions... through any number of

removes” when utilising the powers under section 112 of the LGA 1972. This includes the ability to provide the interest free loan as set out in this report.

- 6.5. 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. 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 Deputy Mayor's approval is accordingly required for the LFC to incur the expenditure set out in the recommendations to this report.
- 6.6. Her Majesty’s Revenue and Customs do not require the LFC to report loans to its officers if that loan is part of a salary sacrifice arrangement, though the Commissioner will have to report and pay on loans to officers that are written off (if writing off occurs in the future).

Appendices and supporting papers:

Report LFC-0571 – Interest-free loans for ULEZ-compliant vehicles for station-based staff who undertake standbys

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 either be published 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

Richard Berry 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 Fire and Resilience for approval.

✓

Advice

The Finance and Legal teams have commented on this proposal.

✓

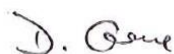
Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 18 October 2021

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

21 October 2021