
Procurement for the Supply of Fuel Cards for the use of Fire Appliances at Public Forecourts

Report to:

Investment & Finance Board
Commissioner's Board
Deputy Mayor's Fire Board
London Fire Commissioner

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Report by:

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Report classification:

For decision

For publication

Values met

Service
Integrity

PART ONE

Non-confidential facts and advice to the decision-maker

Executive Summary

This report refers to the business-as-usual requirement for the London Fire Brigade (LFB) to have a contract for the provision of Fuel Cards to enable any fuel purchased at petrol station forecourts in London to be purchased at a discount. This contract enables potential cost savings against the forecourt price per litre (ppl), helping the brigade to deliver its service to the public as efficiently as it can.

Due to the unexpected military action in the Middle East, the impact that the closure of the strait of Hormuz has had on global fuel prices, the current Deputy Mayor approval for the expenditure of fuel is not expected to be sufficient to continue until the end of the existing contract. This paper also asks for approval to bridge the spending approval gap that is expected to arise on the current contract.

This requirement will be tendered off the Government Commercial Agency (GCA) framework RM6367, which is a national framework. A further competition will be carried out by GCA on behalf of the LFB.

This report seeks authority to commit expenditure to allow an award of a 2-year contract to the winning bidder following further competition.

For the London Fire Commissioner

The LFC agrees that a contract for fuel cards be entered into in accordance with the arrangements set out in Part Two of this report.

1 Introduction and background

- 1.1 The LFB has the requirement to refuel its fire appliances on a day-to-day basis to ensure that they are ready for service.
- 1.2 The operational staff aim to have the fire appliances fuel tanks at a minimum of 70 percent. To enable this operational staff will refuel their appliances after they have completed a run.
- 1.3 The provision of fuel cards enable the operational staff easy access to payment services for the purchase of fuel for any type of vehicles at petrol stations open to the public. It ensures operational staff have easy and convenient access to fuel without using the strategic reserve tanks which are required in the event of fuel not being easily accessible.
- 1.4 This is an ongoing requirement and the LFB, via this arrangement, purchased 1.048m litres of fuel

at an aggregate cost of £1,671,412 for the last 12 months.

- 1.5** The price per litre (PPL) paid is the discounted forecourt price. This price fluctuates as it is based on the wholesale market price. As the PPL varies as does the amount of usage each vehicle does then the expected value is an estimation based on historical spend values.
- 1.6** The previous procurement was undertaken utilising the GCA Framework following a national aggregation of Public Sector requirements and a Further Competition between framework suppliers.
- 1.7** Given the current context around worldwide increases in fuel prices and the uncertainty this creates, the estimated value is provided in Part 2 of the report and it reflects potential increases in fuel prices to mitigate the impact of price volatility over the term of the contract.
- 1.8** The recent military action between USA and Iran with the subsequent closure of the Strait of Hormuz and its impact on global oil and energy prices, this has caused a significant increase in the price paid at the pump in the UK.
- 1.9** The average unit price has increased since military action started. A summary of the increase in the average unit price is summarized below.

Week	Average Unit Price per litre
Jan-26	£1.41
Feb-26	£1.40
Mar-26	£1.63
Apr-26	£1.89

- 1.10** This has proved difficult to close out as an exercise due to the rapidly changing landscape of the conflict and its impact on energy prices.
- 1.11** The above values are considered to the higher and assume that the impact on prices will remain in effect until the end of the financial year.
- 1.12** The Brigade is currently looking on to non-demand-based changes that could be carried out to reduce the impact of the current high prices on its budget.
- 1.13** Due to the unpredictable nature of the conflict and its ongoing impact on the price of fuel, the expenditure will be monitored by the Brigades Finance and Procurement. Should the impact of the conflict cause the expenditure to increase above the allowance in this paper then additional governance will be sought.
- 1.14** This significant increase in fuel costs has created a situation where the current spend authorisation was exceeded before the contract completed. This has been recorded in the LFC Q1 Finance update.
- 1.15** The delay caused by building a model to base the projections on has also created a scenario where the current contract arrangement expired at the end of June 2026 before the approval for the successor contract has been given. In this event the Brigade intends to implement interim arrangements in accordance with the Scheme of Governance.

2 Objectives and expected outcomes

- 2.1** This contract will support the delivery of frontline services of LFB. The fuel cards provision is required to ensure fire Appliances are fully fueled using a payment method which offers the best market rates with an ease of use.
- 2.2** Resilience is maximised where difficulties in obtaining fuel might be experienced for a range of reasons. The risks associated with having reduced fuel supplies cannot be underestimated and therefore this contract will ensure that the risks associated with fuel shortages are mitigated as far as is reasonably possible by maximising the quantity of fuel held by the bulk fuel storage arrangements.
- 2.3** The route to market used is the GCA compliant framework which is accessible to the LFB and a Further Competition will be completed to ensure the contract is tendered in accordance with the Procurement Act 2023. This framework was identified as the preferred option as it is used by numerous public bodies and the suppliers within the Framework are recognised providers in the market. There is an expectation that LFB will secure good rates due to economies of scale given the size of client's pool and the total volume of fuel involved.
- 2.4** The procurement for the supply of fuel cards is managed by GCA full information on the Framework can be found at [Fuel Cards and Associated Services VII - GCA](#)
- 2.5** The GCA Framework allows for a procedure called a further competition to identify the preferred bidder. A further competition will be carried out by LFB using this GCA framework and templates. The successful bidder will be notified to LFB following this competition as achieving the best overall value for money.
- 2.6** This report seeks to request authority to commit expenditure for the two-year period, 2026/27 and 2027/28.
- 2.7** The approach to the procurement is compliant with LFB's Standing Orders for Contracts and Tenders (Part 3).

3 Values Comments

- 3.1** The LFC notes the Fire Standards Board requirements around adopting and embedding the Core Code of Ethics at an individual and corporate level. Following extensive engagement, the LFC has introduced Brigade values which build on and do not detract from the Code of Ethics.
- 3.2** The Brigade values are:
- **Service: we put the public first**
The fuel cards contract help the enabling of the LFC's front-line services with being fully prepared to protect and support the public of London, making it easier for the operational staff to remain on the run.
 - **Integrity: we act with honesty**
The LFC must comply with the public procurement act 2023 requirements on transparency and openness. To achieve this the LFC will tender this requirement off the Government Commercial Agency's Procurement Act 2023 compliant Fuel Cards framework.
Reporting on the award of the contract provides transparency.

4 Equality Comments

- 4.1** 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.
- 4.2** 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.
- 4.3** 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.
- 4.4** 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.
- 4.5** 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.
- 4.6** 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.
- 4.7** 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.
- 4.8** An EIA has not been carried out as the use of fuel cards does not impinge on protected characteristics

5 Other considerations

Workforce comments

- 5.1** No workforce implications or any for consultation with representative bodies other than for information purposes.

Sustainability comments

- 5.2** This reports discusses the business-as-usual requirement for LFB to have a contract for the provision of Fuel Cards to enable any fuel purchased at petrol station forecourts in London to be purchased at a discount. This supports the ongoing required carbon reporting data received through the fuel card contract
- 5.3** This report takes into account risks associated with possible reduced fuel supplies and outlines they are mitigated as far as is reasonably possible by maximising the quantity of fuel held by the bulk fuel storage arrangements.
- 5.4** This report does not introduce any significant sustainability impacts. Where new policies and/or corporate projects arise, they are subject to the Brigade's sustainable development impact assessment process.

Procurement comments

- 5.5** The sourcing of the Fuels cards supplier will be compliant with the Public Sector Procurement regulations and the Brigades procurement standing orders.
- 5.6** The procurement route is to tender the requirement via the Government Commercial Agency, previously known as the Crown Commercial Services, (GCA) RM6367 framework. This is compliant with the Procurement Act 2023.
- 5.7** The mini competition will be carried out on the Brigades behalf by the GCA using their tendering portal. This will enable the Brigade to leverage the aggregated spending power of the GCA.
- 5.8** Should interim arrangements be required, as discussed in point 1.15 above, then the most appropriate route compliant with the Brigades Scheme of Governance will be used.

Communications comments

- 5.9** The recommendation does not have an impact on the staff that requires communication. The new contract provision will not involve a change in processes for the staff that are issued with fuel cards.
- 5.10** The potential impact of the current fuel price pressures on our budgets could be of interest to the wider public and External Communications have been made aware of this.

6 Financial comments

- 6.1** This report seeks authority to commit additional revenue expenditure under a 2-year contractual arrangement for forecourt fuel for fire appliances due to increase in global fuel prices caused by the US-Iran conflict and the continuing blockade of the Strait of Hormuz. This will be a like-for-like replacement of the existing contractual arrangement.

- 6.2** Due to the continuing uncertainty around the US-Iran conflict, it is difficult to accurately predict how long the increase in UK fuel prices will last. The figures included in this paper assume, as a worst-case scenario, that the increase in UK fuel prices will last until the end of the 2026/27 financial year. This assumption will be closely monitored as part of the budget process for 2027/28.
- 6.3** Any budget pressure arising from the increase in fuel prices will initially be mitigated through underspends elsewhere in the Fire Stations budgets. This will be monitored through regular monitoring and reporting on LFB's revenue budget. If an in-year pressure cannot be mitigated through other underspends in the Fire Stations budgets, then this will be funded by General Reserves.
- 6.4** Please note that this paper is linked to the *HVO Strategic Fuel Purchasing* paper which is also requesting governance approval. Both papers impact the Fire Stations Fuel budget and will be carefully monitored during the 2026/27 financial year along with any required draw on the General Reserve.

Legal Comments

- 7.1 Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") 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 Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
- 7.2 By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Planning, Regeneration & the Fire Service (the "Deputy Mayor").
- 7.3 Paragraph (b) of Part 2 of the said direction requires the Commissioner 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...".
- 7.4 The Deputy Mayor's approval is accordingly required to authorise the Commissioner to commit revenue expenditure of up to the amount set out in Part Two of the Report for the purposes of supplying fuel cards.
- 7.5 The General Counsel has reviewed the report and notes that the arrangement proposed is consistent with the Commissioner's power under section 5A of the Fire and Rescue Services Act 2004 to do anything it considers appropriate for the purposes of the carrying out of any of its functions.
- 7.6 Furthermore, under section 7 (2)(a) of the aforementioned legislation, the Commissioner has the power to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting.
- 7.7 The General Counsel also notes that the proposed service will be procured in compliance with the Procurement Act 2023. The procurement route proposed will be via the Crown Commercial agency (GCA) RM6367 Framework. In the event that interim arrangements are required as mentioned at paragraph 1.5 of the report, then the most appropriate route that is compliant with the London Fire Brigade's Scheme of Governance will apply.

List of appendices

Appendix	Title	Open or confidential*
1	None	

Part two confidentiality

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

Is there a Part Two form: YES