

Personal Injury Claims 2025-2026

Report to:

Investment and Finance Board
Commissioner's Board
Fire Board
London Fire Commissioner

Date:

28 November 2024
11 December 2024
21 January 2025

Report by: Yvonne McKenna, Head of Litigation, General Counsel's Department

Report classification:

For decision

For publication

Values met

Service
Integrity

I agree the recommended decision below.



Andy Roe
London Fire Commissioner

Date **This decision was remotely
signed on 28 February 2025**

PART ONE

Non-confidential facts and advice to the decision-maker

Executive Summary

General Counsel seeks authority to settle personal injury (PI) claims up to the amounts set out in Part 2 of this report for the financial year 2025/26. The delegation sought exceeds that permitted by the London Fire Commissioner's Scheme of Governance.

Authority to settle high value Personal Injury claims has been sought in previous years the last being DMFD218 in respect of PI claims in 2024/25, which was approved by the Deputy Mayor on 15 December 2023 and the London Fire Commissioner (LFC) on 3 January 2024.

Recommended Decision

For the London Fire Commissioner

That the LFC delegates authority to the General Counsel to settle PI claims up to the amounts set out in part 2 of the decision, in respect of settled claims in 2025/26 subject to compliance with the following reporting requirements: (i) the LFC takes the advice of specialist counsel on settlement, and the advice of a costs lawyer on costs claimed; (ii) spend is contained within the total funding for compensation matters set out in part 2 of this report; (iii) General Counsel notifies the Deputy Mayor upon receipt of cases anticipated to exceed £150,000, and upon final settlement of such cases; and (iv) the LFC provides the Deputy Mayor with a year-end financial update on spend that occurred within the terms of this authority.

1 Introduction and background

- 1.1 The majority of PI claims (or other litigation) against the LFC are for amounts of less than £150,000. These matters are settled under the delegation provided in the LFC Scheme of Delegation. In respect of claims by or against the LFC up to £150,000 (including claims for costs), the provision is for the settlement by General Counsel. Decisions to settle claims over £150,000 are a matter for the LFC and trigger the current Mayoral Direction of 2018, requiring 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...*". Cases are settled based on advice from specialist counsel, which relies on well-established guidelines on damages, and precedents in reported legal cases. In relation to legal costs, settlement is made following advice from an experienced costs lawyer.
- 1.2 The procedure for dealing with high-value claims is not straightforward, especially where liability and/or causation are in dispute. The final value of these claims is often only fully quantified as the

parties progress through the litigation process. There are significant risks associated with failing to negotiate settlement of these high-value claims at short notice including: (1) being penalised by way of additional costs; (2) reputational damage through being perceived as delaying settlement.

1.3 The types of PI claim that are likely to exceed £150,000, and require the Deputy Mayor's prior approval are:

- mesothelioma
- other asbestos-related claims (asbestosis, lung cancer)
- cancer-related claims
- psychiatric injuries (usually PTSD)
- any claim that results in a medical retirement.

2 Objectives and expected outcomes

2.1 The objective of this report is to seek the Deputy Mayor's authority to settle PI claims for the financial year 2025/26.

2.2 Based on: (1) details of the cases anticipated in 2025/2026; (2) expert external legal and other advice sought on quantum and costs;(3) difficulties in anticipating with certainty, figure for damages and costs for each claim; and (4) the financial benefits of achieving early settlements, it is proposed that the LFC authorises General Counsel to settle claims on the terms set out in the recommendation.

2.3 The budgetary implication of the number and costs of cases received is clearly recognised. Accordingly, it is proposed that this arrangement continues to be subject to reporting mechanisms to the Deputy Mayor. This includes notifying the Deputy Mayor on receipt of cases where expenditure may exceed £150,000; and notifying the Deputy Mayor of confirmed costs when such cases are settled. The Deputy Mayor will also receive an update at the end of 2025-26, on expenditure incurred on PI claims under this authority. The report on forecast expenditure on PI claims for year 2024/2025 was provided to the Deputy Mayor in DMFD218.

2.4 The authority sought is limited to the financial year 2025/26. Its use and effectiveness will be evaluated prior to any proposal to extend the authority for future years.

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
- Integrity: we act with honesty
- Teamwork: we work together and include everyone
- Equity: we treat everyone fairly according to their needs
- Courage: we step up to the challenge

- Learning: we listen so that we can improve

3.3 This report is concerned with delivering on the following two LFB values:

- Service: The aim of the decision requested is to facilitate prompt settlement of PI cases. In so doing proceedings are not prolonged unnecessarily.
- Integrity: This report is focused on facilitating fair and honest settlement of litigated PI cases in the most efficient timescale.

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 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 to the need to:

- tackle prejudice
- promote understanding.

4.8 There are no specific equality implications arising from this report.

5 Other considerations

Workforce comments

5.1 This report concerns individual issues. Accordingly, there are no staff side consultations have been undertaken.

Sustainability comments

5.2 There are no sustainability implications arising from this report.

Procurement comments

5.3 There are no procurement implications arising from this report.

Communications comments

5.4 There are no communications implications arising from this report.

6. Financial comments

6.1 The report sets out a recommendation that authority is delegated to settle all personal injury claims up to a maximum specified amount as contained in part 2 of this report. It is envisaged that these costs will be contained within existing base budget.

6.2 The 2025/26 LFC budget submission includes an amount contained in part 2 of this report as base funding. This budget is based on previous year's spend and future anticipated expenditure. It is currently estimated it will be sufficient to meet the costs arising in 2025/26. An earmarked reserve held to supplement base budget for unexpected circumstances is forecast to be fully utilised by March 2025. Any expenditure above base budget will therefore be a draw on the General Fund reserve.

7. 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 and the Fire Service (the "Deputy Mayor") 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...".

- 7.3** The proposals in this report seek to provide delegated authority to General Counsel to settle PI claims (or in the alternative a specific PI claim) in excess of £150,000, and accordingly this falls within those matters set out in the 2018 Directions and therefore requires prior approval of the Deputy Mayor.

List of appendices

Appendix	Title	Open or confidential*
	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