

Property Compliance and Audit (C&A) Provision

Report to:

Date:

Investment & Finance Board
Commissioner's Board
Deputy Mayor's Fire and Resilience Board

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Report by:

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PART ONE

Executive Summary

The London Fire Brigade (LFB) is required to ensure that LFB has a legally compliant and safe estate. The current contract for Compliance & Audit (C&A) services expires in September 2023. Provision of a C&A contract will assist in delivering the LFB's Duty Holding responsibilities.

The contract services are set out under five key areas below. The proposed division of these services between core and additional services enables the contract services to remain within the department budget despite the context of high-cost inflation. It is expected that additional value in the form of Continuous Professional Development (CPD) and industry research will also be provided by the supplier.

For the London Fire Commissioner

The London Fire Commissioner (LFC) delegates authority to the Assistant Director of Property to commit revenue expenditure of up to the amount set out in the Part Two of this report.

1. Introduction and background

- 1.1 LFB's statutory compliance services are conducted by specialist external providers. These range from suppliers engaged in delivery of FM services through to bespoke services such as asbestos management and water hygiene services. In 2021 LFC paper LFC-0343x-D reviewed the options for delivering this service and concluded that a hybrid approach with compliance overseen by the LFB technical team, supported by outsourced services for specific specialisms is the optimal operating model for LFB Property Services.
- 1.2 The Property Technical Assurance team is responsible for the assurance of LFB estate compliance. These responsibilities are shared through the appointments of Authorised and Competent persons (AP, CP) from within the LFB or outsourced to its suppliers in accordance with industry practice. The C&A contract who acts as LFB's Competent Person (CP). For note, the role of Duty Holder, undertaken by the Fire Commissioner and delegated to appropriate persons, remains within the LFB. A list of delivered services is outlined in section 3.
- 1.3 The current C&A contract reaches its final expiration date 30 September 2023. The proposed new Compliance and Audit contract will commence from this date after which this report can be published. LFB currently has an appointed C&A consultancy who are under contract to carry statutory compliance audit and monitoring related to its property function, as a CP. The outputs of surveys and inspections act as a third line of defense on provision of estate services after the LFB facility management team audits and compliance services from the property supply chain. The C&A contract provides information and action plans to the LFB Technical Assurance team who are accountable for onward implementation.
- 1.4 The implementation of the Technical Assurance function in LFB in 2021 has resulted in a significant improvement in the condition and compliance of the estate as demonstrated in the monthly performance reporting undertaken by the LFB Property function.
- 1.5 During the period of Mid 2021 – Early 2023 LFB have tracked the compliance position of the estate using the newly formed technical compliance team and by using the Compliance &

Auditing contractor - Tetra Tech to carry out independent reviews of documentation, standards of workmanship, business and individual accreditations and value for money.

- 1.6 London Fire Brigade has sought to achieve the most robust compliance measures by monitoring maintenance delivery and follow-on remedial actions identified. Only when both elements are achieved can the systems be deemed fully compliant.
- 1.7 An example of this is the Electrical Installation Condition Reports (EICR) that have been delivered across the estate with a current compliance score of 95%. The remaining 5% will be achieved once the planning and delivery of works is approved for maintenance at 2 key London Fire Brigade properties, with business-critical requirements.

2. Objectives and expected outcomes

- 2.1 Having a safe, compliant, and effective estate is key to LFB in delivering its services to London. Any failings in the delivery of mandatory and statutory inspections and maintenance relating to LFB properties carries numerous risks including serious injury/death of employees, prosecution of Duty Holders (delegated or otherwise) and reputational impact.
- 2.2 Estate compliance is governed by the Health and Safety at Work Act 1974. The Health and Safety Executive, with local authorities (and other enforcing authorities) is responsible for enforcing the Act and several other Acts and statutory instruments relevant to the working environment. These include, but are not limited to, the functional areas listed below:
 - Asbestos Management Plan
 - Legionella (Water Management including cooling towers)
 - Gas & Oil Systems
 - F-Gas (Refrigeration Systems)
 - Low Voltage and High Voltage Electrical Systems
 - Fixed Wire Testing
 - Pressure Systems
 - Fire Systems
 - Lifting Operations Lifting Equipment Regulations. (LOLER) (Property related only)
- 2.3 The proposed C&A contract seeks to ensure LFB are compliant with property related statute, and that there is sufficient auditing in place to provide assurance that LFB receives services that demonstrate value from its supply chain.
- 2.4 The contract services are set out under the five (5) key areas below. The current contract had a different split of core and variable services. The new division reflects the maturity of the LFB property function since 2021 and enables the contract services to remain within the department budget despite the context of high-cost inflation. It is expected that additional value in the form of CPD and industry research will also be provided by the supplier.

Fig 1: The Compliance & Audit (C&A) specification is divided into five (5) key areas (Appendix 1 provides additional detail and background):

Service	Type	Delivers
Statutory Compliance Monitoring	Core Service	The C&A contract will provide assurance that LFB and its supply chain are following regulations, including HSE guidance and Approved Codes of Practice (ACOPs). This includes review of statutory certification of service reports, inspections, and reviews of essential maintenance to gas, electrical and water systems and equipment. Assurance of statutory certification, validity,

		competency, track corrective works and where required, re-certification.
Commercial Auditing on Quotations	Core Service	Checking an agreed percentage of quotations in FM, Project and minor works across all LFB teams and associated supply chain.
Building Fabric and M&E Condition Surveys	Additional Service	Detailed checks on buildings and assets to inform property strategy, capital works planning and forward maintenance planning. These building condition surveys would be based on the Chartered Institute of Building Services Engineers (CIBSE) lifecycle guidelines and will provide planning and budget information for the Property team's Forward Maintenance Register highlighting assets affected by statutory requirements as well as providing valuable information for longer term capital planning and informing the estate strategy.
Technical Site Auditing	Additional Service	On-site audits to include site records, the premises logbook, previous completed corrective works and previous completed planned preventative maintenance. Checking on the outputs of FM services including PPM, projects and minor works across all teams to ensure standards of work, adherence to specification and quotations is met and delivered by the supply chain.
Professional and Technical advisory services	Additional Service	Provision of professional services for LFB such as fire risk assessments, technical training, technical design or project delivery.

3. Policies and Procedures

- 3.1 There are several policies within LFB that the C&A will support. The primary ones are listed below:

Fig 2: LFB Property Policies relating to Premises compliance.

0139	Designated water lift pits
0312	Portable generators
0326	Automatic power operated appliance bay doors - routine weekly testing by stations
0489	Premises logbook
0490	Person in control of LFB premises
0491	Safety rules for contractors working at LFB premises
0492	Safety rules for contractors working at LFB premises part 2
0508	New upgrading mobile telephone base stations procedure
0694	Asbestos Management Plan for the Control of Asbestos in LFB
0750	Managing vacant LFB premises
0762	The control of legionella in LFB water systems

4. Proposed model – Outline Benefits

- 4.1 The primary benefit of the proposed contract core services includes supporting LFB in evidencing and assuring that the estate remains compliant with all relevant health and safety, legal and departmental regulations and policies at all times. The contract specification will ensure LFB follows the principles of the Facilities Management Standard 001 from the Government Functional Standard for Property (GovS 004). This states the minimum requirement for government bodies to ensure operational availability, statutory compliance and prevent deterioration of assets while enhancing their sustainability. In addition, the contract should deliver assurance for LFB on value for money and affordability. Reactive property quotes will be checked and validated.
- 4.2 The inclusion of additional services in the contract supports the capacity and capability of the internal Property team through (call off) access to appropriately skilled, experienced and qualified technical professionals on pre-agreed call off schedule of rates. A preferred supplier

for all technical advice is intended to create a holistic understanding of the estate with the supplier which can drive innovation and estate improvements.

5. Sourcing

- 5.1 To support collaborative procurement the relevant CCS Framework has been identified. This is expected to be RM6165 and includes 20 suppliers. The specification has been drafted to reflect the outcomes required by LFB and the framework schedule.
- 5.2 The CCS frameworks include specifications covering corporate social responsibility, cyber security and business continuity. The evaluation criteria will include appropriate details which will help to identify a successful bidder who is the best fit for LFB.

6. Equality Comments

- 6.1 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.
- 6.2 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.
- 6.3 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.
- 6.4 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.
- 6.5 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 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.
- 6.6 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include steps to take account of disabled persons' disabilities.
- 6.7 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

6.8 An EIA has been completed which shows a low impact.

7. Other considerations

Workforce comments

7.1 The workforce implications of the provision of the C&A contract provides a positive outcome for staff as benefits will be realised by a safer and improved place to work with more effective service provision. The recognised trade unions which collectively represent Property Services staff (GMB and UNISON) are being kept informed of developments within the Joint Committee for FRS staff (JCFRS) and will be fully consulted with.

Sustainability comments

7.2 The project will be administered in accordance with LFB's sustainability policies. This reports ensures that LFB are compliant with areas which have an impact under Sustainability, such as Gas & Oil Systems and F-Gas (Refrigeration Systems), the compliance assurance will have a positive impact.

7.3 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

7.4 The suggested approach is fully compliant with the Scheme of Governance – Part 3 relating to Procurement. The evaluation of price, quality and responsible procurement will be weighted in order to maximise value for money for the services included within the contract and to assist with its overall affordability. A detailed pricing model will be prepared to allow a thorough understanding of each of the bids received. The recognised form of contract will be used consistent with ensuring risks can be appropriately owned and that contract management during the service delivery period will be straightforward by ensuring that an appropriate level of obligations between LFC and the contractor are included.

7.5 The evaluation of price and quality will be weighed in order to maximise value for money for the services included within the contract and to assist with its overall affordability.

Communications comments

7.6 There is not expected to be any requirement for LFB communications resulting from this paper. Staff in LFB will be notified if the supplier of services changes as a result of the new contract through the usual channels.

8. Financial comments

- 8.1 The report requests approval to commit revenue budgets for the provision of statutory Compliance & Audit professional services across the LFB estate. The cost for this will be met from existing LFC annual budgets and there are no direct financial implications to the GLA arising from this report.
- 8.2 Further financial comments are set out in the part 2 report.

9. Legal comments

- 9.1 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.
- 9.2 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 Fire and Resilience (the "Deputy Mayor").
- 9.3 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...". The decision to approve expenditure up to the value set out in Part 2 of the report for the provision of Compliance and Audit services, will therefore require approval from the Deputy Mayor.
- 9.4 The General Counsel notes that the procurement of the new contract shall be conducted in accordance with the Public Contracts Regulations 2015 and the LFC Standing Orders.
- 9.5 The statutory basis for the actions proposed in this report is provided by section 5A of the Fire and Rescue Services Act 2004, under which the LFC, being a 'relevant authority', may do 'anything it considers appropriate for the purposes of the carrying out of any of its functions'.

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