

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DMFD149

Title: Provision of Estates Professional Services

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This information is not for publication until the stated date, because: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:
1 June 2023.

Legal recommendation on the grounds of keeping the information confidential:

In the event the information contained in this Part 2 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 which 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 on the procurement of the Estates Professional Services contract.

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.

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

Name:

Date:

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

Confidential decision and/or advice:

Introduction and background

The LFC seeks to commit expenditure of up to £1,650,000 over the five year period of the contract for the Estate Professional Services (EPS).

The current EPS supplier provides all the LFB estates professional services. The contract is charged primarily on an hourly rate reflecting the expertise of the consultants. Some specific services have a fixed annual fee. Rateable value services are costed on a percentage of saving achieved.

- The annual cost of estate management services incurred as a revenue spend since April 2017 averages as £300,000 per financial year. In addition, disposals that generate a capital receipt have generated a capital cost on a site-by-site basis. These include the re-development of 8 Albert Embankment, the ongoing disposal of fire stations as agreed by fifth London Safety Plan and refurbishment of West Hampstead cottages to provide affordable housing for LFC keyworkers.

Objectives and expected outcomes

The proposed procurement route is via the CCS EPS framework for a single supplier to provide core estates professional services. The estimated annual value is £330,000 to include a 10% contingency for as yet unknown requirements to be met from within the existing LFB Property revenue budget. With the recent recruitment of a general practice RICS qualified surveyor within Property department it is expected there will be an enhanced opportunity to efficiently manage the demand of the required contracted services.

There is likely to be an additional element of non-core services and variable core and non-core required during the contract term. These are expected to be generated by specific novel projects during the term of the contract. The value of non-core services required will be dependent on the requirements of the commissioned project and will be subject to the required LFC governance within each project approval and will need to be funded by each project.

The significant disposal and re-development of 8 Albert Embankment is not planned within the scope of this proposed contract. Currently there are no major disposals planned, however should a disposal be proposed which incurs a high value capital fee to pressurise the value of the contract, this will incur discussion to agree the optimum procurement route.

The EPS services contract will be a single supplier for a five year period with the value of the services to be procured over the term up to a maximum of £1,650,000.

Financial comments

The financial model for this contract is anticipated to be contained within the existing budget of £300,000 per annum. The additional contingency will be funded from LFB Property department's existing budgets via a transfer of £30,000 using the Head of Service delegated authority of up to £50,000, if required, to support the proposed contract. Any necessary transfer of budget to support the contract will require the Property department to manage expenditure within revised budget levels.

The other anticipated non-core services or the significant disposal and re-development of 8 Albert Embankment not planned within the scope of this proposed contract will be reported on as required by LFC governance requirements separately, which will also consider the financial implications of any additional costs.

Legal Comments

Section 43(2) is a prejudice-based exemption which says that information is exempt if its disclosure under the Freedom of Information Act would, or would be likely to, prejudice the commercial interests of any legal person including the LFC. The Information Commissioner has recognised that a wide range of commercial information relating to ongoing procurement activity may be covered by this exemption. In this instance the information in this Part 2 report includes information in relation to future procurement plans and the Commissioner's financial position in relation to those procurements. The exempt information would disclose the Commissioner's financial position and budget in relation to both procurements to potential bidders and would prejudice the operation of competitive tendering exercise. It is therefore submitted that this information should be exempt from publication until the contract is agreed. An 18-month timescale allows for the completion of that process and includes a small allowance for unanticipated slippage in the timetable.

Confidential Appendices and supporting papers:

Report LFC-0624y – Provision of Estates Professional Services