

REQUEST FOR DEPUTY MAYOR FOR FIRE AND RESILIENCE DECISION – DMFD226

Title: Operational Equipment Management System (update)

Executive summary:

This report requests the approval of the Deputy Mayor for Fire and Resilience to authorise the London Fire Commissioner (LFC) to commit revenue expenditure up to the amount in the Part Two report over five years, inclusive of all project, resourcing and contract costs for the purposes of procuring an equipment management system and associated hardware.

Expenditure of £494,000 for a proposed seven-year contract for this system was originally approved in Deputy Mayor for Fire and Resilience Decision 193. Following a procurement exercise, it has been determined that additional expenditure is required above this amount. The additional expenditure will be drawn from existing budgetary provision for the London Fire Brigade's Technical Service Support (TSS) department.

The LFC 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:

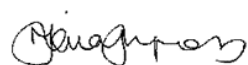
That the Deputy Mayor for Fire and Resilience approves the London Fire Commissioner to commit revenue expenditure of up to the amount in the Part Two report for the purposes of procuring and meeting the running costs of, an equipment management system and associated hardware.

Deputy Mayor for Fire and Resilience

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

The above request has my approval.

Signature:



Date:

09/01/2024

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

Decision required – supporting report

1. Introduction and background

- 1.1 The London Fire Commissioner (LFC) granted approval (LFC23-006y) to commit expenditure of £494,000 over seven years for the procurement of an equipment management system and associated hardware based on an in-house delivery/tagging model by London Fire Brigade (LFB) operational staff. This decision was approved in Deputy Mayor for Fire and Resilience Decision (DMFD) 193.
- 1.2 A contractor was subsequently appointed for the supply, development, implementation and support of an equipment management system, subject to the final solution costs meeting governance requirements.
- 1.3 A fully costed solution was proposed to LFB based on a turnkey implementation model including full asset tagging. Prior engagement with North Yorkshire Fire and Rescue Service and an understanding of the complexity of the proposed system identified that hiring and training LFB staff to implement the system was not a feasible delivery model and outsourcing would exceed the financial commitment in the LFC decision (LFC23-006y).
- 1.4 LFB therefore assessed alternative options and costings with the supplier for the implementation of an outsourced turnkey delivery solution for the tagging of assets by the supplier of the equipment management system.
- 1.5 A preferred option (set out in the Part Two report including costings) has been identified which maintains the operational benefits that were included within the original LFC and Deputy Mayor for Fire and Resilience decisions. The additional cost of implementation, which is set out in the Part Two report, will be funded from a deferred saving within the Operations Support Group (OSG) budget.

2. Objectives and expected outcomes

Proposal

- 2.1 The objectives and outcomes of the proposed expenditure are as set out in DMFD193, with further information provided in the appended LFC report. The timeframe for the project has been extended since DMFD193 was agreed.
- 2.2 It is proposed that the project will work to the following milestones, subject to agreement with project stakeholders and the preferred supplier.

Milestone	Date
Specification started	January 2023
Specifications complete	March 2023
Tender design complete	April 2023
Tender complete	June 2023
Contract Award	December 2023 /January 2024
Roll out commences	March 2024
Roll out complete	March 2025

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 Equality comments addressing the specific proposal are as set out in DMFD193, with further information provided in the appended LFC report. There are no new equality implications arising from the revised proposal.

4. Other considerations

- 4.1 Workforce and sustainability comments are as set out in DMFD193, with further information provided in the appended LFC report. There are no new workforce or sustainability comments arising from the revised proposal.

Conflicts of interest

- 4.2 There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.

5. Financial comments

- 5.1 This report requests approval for LFC to commit expenditure on the procurement and implementation of an equipment management system within a budget of an amount set out in Part Two of this report.
- 5.2 The project will be funded from the operational equipment revenue budget within the TSS department as the system will be utilised to manage operational equipment and the related processes of the equipment across LFB. The ongoing expenditure relating to subscription fees and servicing will be met by this budget going forward.
- 5.3 Should it become necessary, it is expected any annual inflationary increases within the procurement period will be based around the Retail Price Index (RPI). It is expected that the contingency would be utilised to account for any inflationary increases.
- 5.4 All LFC contractual inflationary increases are reviewed on an annual basis. The LFC budgets for inflation on an item-by-item basis, and the LFC has reviewed those assumptions as part of its budget process for 2024/25. If inflation rates are above current assumptions a resulting budget increase will need to be submitted as part of LFC's annual submission to the Mayor's GLA Group budget process and/or the contract will need to be reviewed to assess whether it is possible to reduce the annual cost via a reduction in service. If inflationary increases result in in-year financial pressures, this will be reported on as part of regular financial reporting and met through the use of the Budget Flexibility Reserve.
- 5.5 LFC standard terms and conditions include clauses on indexation and termination that can be utilised if inflationary pressures affect the performance of the contract. If a contract is no longer viable then LFC will seek to terminate it on this basis or work with suppliers to pause delivery and/or renegotiate what is being delivered. This is preferable to inserting a break clause for inflation as such pressures apply across the market so it is unlikely that benefits will be gained from terminating a contract in order to go back out for competition.
- 5.6 There are no direct financial implications to the GLA arising from this report.

6. Legal comments

- 6.1 This report seeks approval of expenditure for the procurement and contract of a new equipment management system set out in more detail in this report and Part 2.
- 6.2 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. 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.
- 6.3 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 (the "Deputy Mayor"). Paragraph (b) of Part 2 of that 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...". Accordingly, the expenditure identified for the new equipment management system, set out in more detail in Part 2, requires prior approval.
- 6.4 The statutory basis for the actions proposed in this report and the ECIP is provided by sections 7 and 5A of the Fire and Rescue Services Act 2004 ("FRSA 2004"). Section 7 (2)(a) FRSA 2014 the LFC has the power to secure the provision of personnel, services and equipment necessary to meet

efficiently all normal requirements for firefighting and section 5A allows the LFC to procure personnel, services and equipment they consider appropriate for purposes incidental or indirectly incidental to their functional purposes.

- 6.5 The proposed tender must be carried out in accordance with the Public Contracts Regulations 2015 (“the Regulations”) and the LFC’s Scheme of Governance (Part 3 Standing Orders Relating To Procurement).
- 6.6 These comments have been adopted from those provided by the LFC’s General Counsel Department in report LFC23-006 to the LFC.

Appendices and supporting papers:

Part 1 of report LFC-23-123 – Operational Equipment Management (update)

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 – YES

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

A summary of this decision was reviewed by the Corporate Investment Board on 8 January 2024.

✓

INTERIM CHIEF FINANCE OFFICER:

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

Signature:



Date:

09/01/2024