

REQUEST FOR DEPUTY MAYOR FOR FIRE AND RESILIENCE DECISION – DMFD230

Title: Property Compliance and Audit Provision (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 four years for the provision of compliance and audit services which will assist the LFC in ensuring its estate is safe and statutorily compliant.

Expenditure of £909,977 for a proposed four-year contract for this provision was originally approved in Deputy Mayor for Fire and Resilience Decision 201. 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 property 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 provision of compliance and audit services.

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 (LFC23-040) to commit expenditure of £909,977 over four years for the provision of compliance and audit services which will assist the LFC in ensuring its estate is safe and statutorily compliant. This decision was approved in Deputy Mayor for Fire and Resilience Decision (DMFD) 201.
- 1.2 Following a procurement exercise, tenders received exceeded the approved amount. To mitigate the impact of the increased costs, clarifications were raised with the bidders to better understand costs and find efficiencies. The specification of services included was also reviewed to reduce the services required and the associated costs.
- 1.3 The reduction in scope relates to statutory compliance monitoring and restriction to certificate auditing to the major service elements only. This reduces the level of independent assurance being delivered with the remaining certificates being spot-checked by LFB staff.
- 1.4 The contract price was subsequently reduced however it remains in excess of the approved financial provision within LFC 23-040 and DMFD210. The additional cost of implementation, which is set out in the Part Two report, will be funded from within the existing LFB Property budget.

2. Objectives and expected outcomes

- 2.1 The objectives and outcomes of the proposed expenditure are as set out in DMFD201, with further information provided in the appended LFC report.

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 DMFD201, 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 DMFD201, with further information provided in the appended LFC report. There are no new workforce or sustainability comments arising from the revised proposal.
- 4.2 The tender exercise was conducted in line with procurement regulations. The amended specification was communicated to suppliers on a secure platform ensuring fairness and transparency and revised bids were sealed and opened at the same time.

Conflicts of interest

- 4.3 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 for provision of a compliance and audit contract within a budget of an amount set out in Part Two of this report.
- 5.2 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.
- 5.3 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 will review those assumptions as part of its future budget planning process. 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.

- 5.4 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.
- 5.5 There are no direct financial implications for the GLA.

6. Legal comments

- 6.1 This report seeks approval of expenditure for the provision of a compliance and audit contract, set out in more detail in this report and Part Two.
- 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 compliance and audit contract, 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 efficiently meet 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 LFC officers have confirmed that tender (including the reductions to the original scope) has been conducted 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 LFC23-040 to the LFC.

Appendices and supporting papers:

Appendix 1 – Part 1 of report LFC 23-124 to the London Fire Commissioner.

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