

## REQUEST FOR DEPUTY MAYOR FOR FIRE DECISION – DMFD244

### Water supply contract

#### Executive summary:

This report requests that the Deputy Mayor for Planning, Regeneration and the Fire Service (Deputy Mayor) authorises the London Fire Commissioner (LFC) to commit revenue expenditure up to the amount set out in Part 2, for the provision of water supplies.

The proposed expenditure is within the current London Fire Brigade (LFB) budget for water, and includes additional strategic services. The contract will provide the data and the management required to help implement LFB's water-saving strategy, and determine where and when water and financial savings can be made.

*The London Fire Commissioner 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 Planning, Regeneration and the Fire Service authorises the London Fire Commissioner to commit revenue expenditure up to the amount set out in Part 2, for the provision of water supplies.

#### Deputy Mayor for Planning, Regeneration and the Fire Service

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

The above request has my approval.

**Signature:**



**Date:**

29/08/2024

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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 Report LFC-24-062 to the London Fire Commissioner (LFC) sets out the background for the request to approve expenditure for London Fire Brigade (LFB) to provide water supplies for the contract term.
- 1.2 The current water supply contract with Wave (a water retailer supplying over 300,000 UK businesses and public-sector organisations) is due to expire on 27 October 2024. Upon expiry, the provision of water supply would revert to a standard variable rate with Wave, which has provided this service since 2018. The current contract was for two-and-a-half years. The metered water supplied under this contract is not used for firefighting.
- 1.3 Since the baseline year of 2020–21, costs were reduced every year until 2022–23, but increased by 8 per cent in 2023–24. Overall, there was a 9 per cent reduction between 2020–21 and the end of 2023–24. Wave has provided regular reports showing where LFB has constant flow on sites; this data is used to check water wastage, which has assisted with the savings mentioned above. However, water use varies depending on demand. Circumstances such as the number of incidents attended in a year will affect consumption, as more showers will be required by firefighters. Water use is currently difficult to measure from the estimated readings.
- 1.4 The water-supply industry is known for the lack of automated metering; many bills are based on estimated readings. This makes tracking costs and consumption challenging. LFB is working with the retailer and wholesaler to provide a more accurate billing method, enabling easier cost tracking during the contract term. A process has also been put in place to ensure regular and accurate meter reads; these are fed back to the supplier to produce more accurate billing and enable easier cost tracking. Separate to this contract, a trial of smart devices linked to water meters is also being implemented; this will provide accurate consumption data, which can be used for billing. This work will achieve more accurate meter readings and billing.
- 1.5 The water-supply industry opened up for competition in 2017. This meant companies such as Wave could offer this service, and customers were not restricted to their local water authority. Thames Water will still be the wholesaler and authority responsible for the water-supply network across London, serving the LFB.
- 1.6 The procurement route that the LFB proposes to use is to use existing compliant frameworks. Proposals from two frameworks have been received: the Yorkshire Purchasing Organisation framework, and the Northeast Purchasing Organisation (NEPO) framework. Both proposals are fully compliant in terms of specification and service required. The contract term will be three years. The recommendation is to proceed with the NEPO framework.
- 1.7 The NEPO framework specification includes the following benefits:
  - optical meter-reading devices, enabling dashboards to be created on building-management systems
  - leakage fix-and-find services, identifying, locating and fixing leaks
  - water-audit site surveys, where opportunities for saving water can be identified
  - an online portal providing immediate access 24 hours a day, 365 days a year; this is where queries can be raised; historic bills can be viewed; consumption can be monitored; and meter reads can be submitted.

## **2. Objectives and expected outcomes**

- 2.1 The aim is to put in place a water-supply contract that provides value for money and added value through improved service, which incorporates continuous improvement via developing technology, monitoring and reporting. This contract will provide the data and management required to help implement LFB's water-saving strategy; and determine where and when consumption and cost savings can be made. An active water-management service is included in the contract as an added-value service.
- 2.2 The proposed contract would run from 28 October 2024 to 31 October 2027.

## **3. Equality comments**

- 3.1 The LFC and the Deputy Mayor for Planning, Regeneration and the Fire Service (Deputy Mayor) 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 It has been agreed with LFB's Equality Impact Assessment (EIA) team that an EIA is not required to be formally submitted; and that Wave's diversity and inclusion policy has been evaluated and approved by the EIA team.

#### **4. Other considerations**

##### *Workforce comments*

- 4.1 There is no impact on LFB's workforce from this recommendation.

##### *Sustainability comments*

- 4.2 This report discusses the provision of water supplies for LFB, including a water-management service to monitor consumption; the benefits of this could save water and money. The management and monitoring of water-supplier performance, and a new online portal, will have a positive impact relating to water saving, carbon reduction and reporting accuracy.
- 4.3 Where new policies and/or corporate projects arise, they are subject to the LFB's sustainable development impact assessment process.

##### *Procurement comments*

- 4.4 LFB's Procurement team reviewed the market and the various procurement routes available to LFB.
- 4.5 The route to market that has been determined for use is the NEPO water contract that complies with the Official Journal of the European Union (OJEU).
- 4.6 NEPO is a purchasing organisation that sets up OJEU-compliant agreements that buying organisations can access and benefit from.
- 4.7 NEPO tendered for a single supplier for its framework. The tender was for the management overheads only, as the wholesale market element cannot be tendered.
- 4.8 This route is compliant with the Public Contracts Regulations 2015 and the LFB's Schedule of Governance.

##### *Conflicts of interest*

- 4.9 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 seeks authority to commit revenue expenditure as set out in Part 2 of the report, to provide water supplies for the contract term.
- 5.2 The maximum expenditure is set out in Part 2.

## **6. Legal comments**

- 6.1 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 Greater London Authority Act 1999, as amended, the Mayor may issue to the LFC specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
- 6.2 Section 1 of the Fire and Rescue Services Act 2004 states that the LFC is the fire and rescue authority for Greater London.
- 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.
- 6.4 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”. The Deputy Mayor's approval is accordingly required for the LFC to expend the monies requested in this report, as the expenditure exceeds that threshold.
- 6.5 The statutory basis for the actions proposed in this report is provided by section 7 (2)(a) of the Fire and Rescue Services Act 2004. On this basis, the LFC must secure the provision of personnel, services and infrastructure necessary to efficiently meet all normal requirements for firefighting.
- 6.6 LFC's General Counsel has indicated that the approach to this procurement activity fully complies with current systems, as the services will be tendered in accordance with the LFC's Scheme of Governance.
- 6.7 These comments have been adopted from those provided by the LFC's General Counsel Department in report LFC-24-062 to the LFC.

## **Appendices and supporting papers:**

Appendix 1 - Report LFC-24-062 to the London Fire Commissioner – Water Supply Contract

## 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 be published either 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

Soeli Dayus 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 Planning, Regeneration and the Fire Service for approval.

✓

### Advice

The Finance and Legal teams have commented on this proposal.

✓

### Mayoral Delivery Board

A summary of this decision was reviewed by the Mayoral Delivery Board on 27 August 2024.

✓

## INTERIM CHIEF FINANCE OFFICER:

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

### Signature:

*Anna Casbolt*

### Date:

29/08/2024

PP Anna Casbolt on behalf of Enver Enver