

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3372

Facilities Management Contracts Strategy

Executive summary:

This Mayoral Decision seeks to approve the long-term procurement strategy to provide Facilities Management services, facilities and supplies for the GLA's core properties (City Hall, Union Street/Palestra, Trafalgar Square and Parliament Square Gardens).

The strategy aims to drive best value; promote investment and sustainability innovations by suppliers in the delivery of their services; and minimise the cost and resources required to procure compliant contracts.

Decision:

That the Mayor:

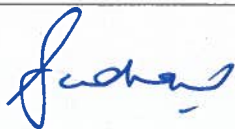
- approves the long-term procurement strategy, set out in section 2, to provide Facilities Management services, facilities and supplies for the GLA's core properties (City Hall, Union Street/Palestra, Trafalgar Square and Parliament Square Gardens) for 10 years from July 2025
- delegates authority to the Director of Corporate Resources and Business Improvement to achieve the best outcomes for each service, in support of the above strategy, via the following actions (without the need for a further decision form):
 - retendering
 - extending existing contracts
 - investigating opportunities to use existing TfL/GLA Group agreements, and shared services, to optimise the use of resources; and ensure compliance with statutory obligations.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

17/5/25

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

Decision required – supporting report

1. Introduction and background

- 1.1. This Mayoral Decision (MD) seeks to approve the long-term procurement strategy to provide Facilities Management (FM) services, facilities and supplies at the GLA's core properties (City Hall, Union Street/Palestra, Trafalgar Square and Parliament Square Gardens) for 10 years.
- 1.2. The GLA's facilities services are provided through a combination of in-house staff and outsourced specialist service suppliers. Supplies are provided through the most expedient and cost-effective route. This model aims to provide facilities services and supplies that:
 - best meet the needs of the Mayor, the London Assembly and the GLA
 - represent the best value for money
 - best reflect our current accommodation and hybrid working styles.

This MD focuses on the approach to the outsourced elements of this strategy.

- 1.3. To ensure the efficient use of resources, and effective management of the outsourced contracts, a long-term procurement strategy has been developed to cover the next 10 years.
- 1.4. The strategy aims to benefit from shared services and procurement opportunities within the GLA group and other local authorities; and to promote investment by suppliers in the facilities and services they provide the GLA, where it is advantageous to do so. It also takes into consideration the GLA's staff resources and timescales for carrying out the necessary procurement activity; and aims to avoid the need to tender multiple complex contracts simultaneously.
- 1.5. The 2025-26 budget value of these contracts is around £6.5 million. Some contract costs are fixed; others are demand-led. In both instances, these will change with annual London Living Wage and other inflationary increases.
- 1.6. Following the Mayor's commitments to net zero carbon and clean air in London, the GLA's core sites are managed in a way that showcases net zero carbon policies and reduces carbon emissions, to reach a net zero carbon estate by 2030. The specification and management of these contracts will support in reaching this target.
- 1.7. The previous approvals for facilities, services and supplies were granted under MD1300 (Facilities Management Contract Strategy) in January 2014. MD2411 (Procurement of Facilities Management Support Services Contracts) provided an update to this in May 2019. This work formed an integral part of MD2705 (the Relocation of City Hall to the Royal Docks), published in November 2020, which covered the necessary approvals to support setting up City Hall in its new location.
- 1.8. This MD seeks to regularise future procurements, by setting out a long-term strategy for FM.

2. Objectives and expected outcome

- 2.1. The key objectives of the strategy are to ensure that the GLA's statutory duties and obligations, in relation to its core properties (City Hall, Union Street/Palestra, Trafalgar Square and Parliament Square Gardens) are maintained.
- 2.2. Having appropriate contracts in place will also ensure that the Mayor, the London Assembly and the GLA obtain facilities and services that are fit for purpose; meet the needs of the organisation; and provide best value for money.

- 2.3. The GLA has a 25-year full repairing lease on City Hall, which is owned by its subsidiary GLA Land and Property Limited. This lease began in November 2021 and ends in 2046, with a break clause in November 2041. Under the lease, the GLA has a legal duty to maintain the building; and a need to provide high-quality facilities and services that support the work of the organisation. It is considered that technical, complex or investment-intensive contracts should, where possible, provide the flexibility for between five to ten years. Smaller, less complex contracts can be let for shorter periods.
- 2.4. The obligations at Union Street, where the GLA occupies space under a licence agreement with London Fire Brigade (LFB), are less onerous, as LFB is responsible for maintaining and operating the premises as a multi-tenanted building. However, the GLA still needs to provide a safe and healthy environment in its demised space, with all the facilities, services and supplies that support the staff there. When the GLA relocates to Palestra no later than February 2027 (when the Union Street licence ends), a new licence along similar lines will be in place – but with Transport for London (TfL) as the GLA's landlord.
- 2.5. Under the Greater London Authority Act 1999 (GLA Act), the functions of the GLA, acting by the Mayor, include the care, control, management and regulation of Trafalgar Square and the central garden of Parliament Square. Furthermore, the GLA may make bylaws for securing the proper management of the Squares and the preservation of order and the prevention of abuses. Both of the Squares are part of the nation's heritage, and as such are listed by Historic England. As the control and management of these areas is not time-limited, contracts let in these spaces can be more flexible in terms of duration. This boosts the opportunity to gain better value for money and longer-term commitment from contractors.
- 2.6. In all areas of its core property operations, the GLA has a duty to comply with the relevant statutory health, safety and environmental legislation. Having appropriate contracts in place (e.g., maintenance, security and cleaning) will ensure this duty is met.
- 2.7. The Mayor has set a target for London to be net zero carbon by 2030. As contracts reach expiry and require retendering, specifications will be reviewed and modified to support this target to ensure the GLA's core sites are operated in a way which showcases net zero policies whilst reducing carbon emissions.
- 2.8. In 2025-26, these contracts cost the GLA around £6.5million. The majority of these costs are fixed, though the budget must also take account of annual London Living Wage and other inflationary increases. However, due to the nature of the work, some of the spend is demand-led and driven by external factors (e.g., the geopolitical local, national, and international landscapes; unexpected failures of plant or equipment); and by the varied and evolving needs of GLA teams (e.g., printing and copying; courier services; hospitality; archiving).
- 2.9. The route to sourcing these facilities and services, and the contract durations, will be decided upon approaching the market. It will depend on the latest professional advice given by TfL Procurement. When procuring a contract, a hierarchy of checks will be completed to determine the best and most cost-effective route to market. This hierarchy is as follows:
- using existing tendered contracts, available within the GLA Group, that meet the specifications of the GLA; or that can be varied to meet the requirements
 - identifying opportunities for new collaboration across the GLA Group
 - identify opportunities for collaboration with local authorities in which our premises are located, such as Westminster City Council for the Squares, or other relevant public bodies
 - using pre-existing government or public-sector frameworks or local authority contracts that meet the specifications of the GLA; or that can be varied to meet the requirements
 - undertaking a unique procurement to meet the specifications of the GLA, with the option of allowing other members of the GLA Group to join later, should they have the need.

- 2.10. Where the GLA is occupying space at Union Street and (in future) Palestra, and where it is appropriate to do so, best use will be made of the facilities and services offered by the landlord negotiated under the licence.
- 2.11. A key element of the strategy is to incentivise suppliers into investing in their facilities and services. This includes investing in their people and in any equipment and facilities that support the delivery of the service. This will, in part, be achieved by offering sufficiently long-term contracts to encourage and promote such investment, within any limits set by procurement regulations, as advised by TfL. This will also enhance sustainability through reducing waste and replication.
- 2.12. As part of the strategy, we will fully evaluate the requirement for the nature of each service to ensure the specifications are up to date and are relevant to the current needs of the organisation.
- 2.13. To support the effective operation of the GLA a broad range of facilities, services and supplies are covered under this strategy:
- café services
 - catering and hospitality
 - engineering services
 - consultancy services and project management
 - internal and external fabric maintenance
 - infrastructure maintenance
 - energy
 - broadcast and audio-visual services
 - cleaning and portage
 - pest control
 - window/façade cleaning
 - waste management
 - security and supporting operational services
 - heritage wardens and enforcement services
 - postal and courier services
 - health and safety consultancy
 - internal horticulture
 - grounds maintenance
 - public space cleansing
 - FM software systems
 - switchboard services
 - archiving and storage

- stationery and paper
- building and office supplies
- logistics support services
- other services or supplies may also need to be procured depending on the needs of the GLA.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, the Mayor and the GLA are subject to the public sector equality duty and must have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation
 - advance equality of opportunity between people who share a relevant protected characteristic and those who do not
 - foster good relations between people who share a relevant protected characteristic and those who do not.
- 3.2. The “protected characteristics” are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage/civil partnership status. The duty involves having appropriate regard to these matters as they apply in the circumstances, including having regard to the need to: remove or minimise any disadvantage suffered by those who share or are connected to a protected; take steps to meet the different needs of such people; encourage them to participate in public life or in any other activity where their participation is disproportionately low. This can involve treating people with a protected characteristic more favourably than those without one.
- 3.3. This strategy aims to support the delivery of the GLA’s Public Sector Equality Duty under the 2010 Equality Act by maintaining and providing facilities and services that are fully accessible and inclusive, ensuring statutory accessibility requirements are met.
- 3.4. Feedback is regularly sought from building users to further improve FM services and facilities. Specifications will be reviewed before entering into new contracts, reflecting best practice to ensure no adverse impacts are identified and positive contributions to equality are built into each provision. There are no anticipated negative equalities impacts associated with this strategy.

4. Other considerations

- 4.1. The risks of not having a long-term procurement strategy covering facilities, services and supplies is that the procurement will be more time-consuming and costly. Individual approvals will need to be sought for each contract; and a less strategic, more ad hoc approach will be taken to procurement. This could result in lost opportunities for collaboration with the wider GLA Group.
- 4.2. The MD supports portfolio delivery, through providing accommodation and associated support services to all parts of the organisation. In this way, the MD enables the GLA’s statutory business: hosting events; providing access to resources; and complying with safety legislation in relation to the control and management of the core properties. The FM Unit also fulfils the Mayor’s statutory duty, set out in the GLA Act, to care, control, manage, clean and prevent abuses at Trafalgar Square and Parliament Square Gardens; and to protect the national cultural heritage of the two Squares.
- 4.3. The Mayor has set a target for London to be net zero carbon by 2030. The FM contracts will contribute to ensuring the GLA’s core sites are managed in a way which showcases net zero policies and reduces carbon emissions, to reach a net zero carbon estate by 2030.

- 4.4. The FM-specific contribution to the Mayoral delivery portfolio is mainly towards two proposed programmes:
- Cleaning London's air
 - Celebrating London
- 4.5. The FM Unit also supports the London Assembly in carrying out its duty to hold the Mayor to account; and in investigating and reporting matters that are of interest to Londoners, for example through the provision of office space. As required by the GLA Act, this is funded from the GLA: Mayor budget.
- 4.6. No conflicts of interest have been identified for any officers involved in the development of this proposal, or in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. Approval is sought for the procurement of FM contracts as and when they expire in the next 10 years. The current value of the contracts is around £6.5 million – although the exact costs, going forward, will be subject to the procurement process.
- 5.2. The budget for these contracts is provided through the FM Unit, and agreed annually as part of the budget-setting process. The Executive Director will consult with the Chief of Staff before a contract is entered into if the proposed spending would exceed the Year 1 budgeted allocation, or increase by more than inflation.
- 5.3. Due to inflationary pressures, contract costs are expected to increase annually. As such, budgetary growth will be requested to meet these contract uplifts and/or managed within the wider FM budget. The move from Union Street to Palestra, planned for March 2027, will require new licences to be agreed with TfL. The impact on the budget will be reviewed ahead of the 2026-27 budget setting process.
- 5.4. The expenditure is part of the core function budget; but also contributes to the Celebrating London and Cleaning London's Air delivery programmes.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Mayor concern the exercise of the GLA's general powers; and fall within the GLA's statutory power to do such things considered to further, or that are facilitative of, or conducive or incidental to, the promotion, within Greater London, of each of the GLA's principal purposes. In formulating the proposals in respect of which a decision is sought, officers have complied with the GLA's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the UK
 - consult with appropriate bodies.
- 6.2. In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty – namely, the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity, and foster good relations, between persons who share a relevant protected characteristic (age; disability; gender

reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation) and persons who do not (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

- 6.3. Pursuant to sections 383 and 384 of the GLA Act, the GLA's functions include the care, control, management and regulation of Trafalgar Square and central garden of Parliament Square. Furthermore, the GLA may make byelaws for the proper management of the Squares and the preservation of order and the prevention of abuses there.
- 6.4. The first decision, above, seeks approval of the long-term procurement strategy of FM services, facilities and supplies for the GLA's core properties. Officers are reminded to comply with the requirements of the GLA's Contracts and Funding Code, and the Procurement Act 2023, when they procure works, services or supplies in furtherance of the said procurement strategy. Furthermore, officers are reminded to put in place appropriate contracts between the GLA and the relevant contractors and service providers.
- 6.5. The second decision, above, seeks a delegation of authority from the Mayor to the Director of Corporate Resources and Business Improvement. Any function exercisable by the Mayor on behalf of the GLA may also be exercised by any member of GLA staff, to the extent that the Mayor authorises and subject to any conditions that the Mayor sees fit to impose. To this end, the Mayor may make the requested delegation to the Director of Corporate Resources and Business Improvement, if he so chooses.

7. Planned delivery approach and next steps

- 7.1. The work will be completed according to the following timetable:

Activity	Timeline
Procurement of contracts starts	1 July 2025
Procurement of new contracts cease under this decision	31 March 2035

Appendices and supporting papers:

- [MD1300 – Facilities Management Contract Strategy](#)
- [MD2411 – Procurement of Facilities Management Support Services Contracts](#)
- [MD2705 – Relocation of City Hall to the Royal Docks](#)

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Alexandra Reynolds-Cocroft has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Dianne Tranmer has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

David Bellamy has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board

This decision was agreed by the Mayoral Delivery Board on 16 June 2025.

✓

CHIEF FINANCE OFFICER:

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

Signature:

Fay Hammond

Date:

16/06/2025

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature:

D. Bellamy

Date:

16/06/2025

