

**Request for Greater London Returning Officer (GLRO) Decision – GLRO 21-11**

**Title: Approval of additional COVID-19 related expenditure for support services, equipment and catering at the Count Centres and City Hall for the 2021 Mayor of London and London Assembly Elections.**

**Executive Summary:**

Due to the COVID-19 virus, the Government legislated to postpone the Mayoral and London Assembly elections that were due to take place on 7 May 2020. The Mayor of London and London Assembly Elections will now take place on Thursday 6 May 2021.

The GLRO authorised the expenditure of up to £490,000 for production related expenditure to support the Mayor of London and London Assembly Elections under cover of GLRO 21-04. Further approval is now sought for expenditure on additional facilities management and event production related services and supplies required for the count centre venues fit-out, set-up and operation including security, catering and collateral materials to accommodate extended and spaced working patterns required to ensure a more COVID-19 secure environment. The total production-related costs will increase from up to £490,000 to £1,305,000.

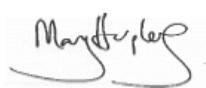
**Decision:**

The GLRO is asked to approve:

- 1) expenditure of up to £1,305,000, comprising:
  - a) £135,000 catering costs for ExCel, Alexandra Palace, Olympia and City Hall;
  - b) £45,000 security management and consultation cost for ExCel, Alexandra Palace, Olympia and City Hall;
  - c) £105,000 ballot box archiving for collection, archiving and destruction of ballot boxes;
  - d) £40,000 Cleaning and PPE cost for additional cleaning to ensure COVID-19 secure venues at ExCel, Alexandra Palace, Olympia and City Hall;
  - e) £980,000 on Facilities Management (FM) and production services including venue production costs, which covers additional consultancy, fit-out, set-up, security, hotel booking and supporting FM supplies and services to the Count Centres and City Hall required to enable a more COVID-19 secure environment;
- 2) the continuing application of the exemptions from the GLA's Contracts and Funding Code approved by the GLRO under cover of GLRO 20-4 and re-affirmed under cover of GLRO 21-04;
- 3) expenditure of up to £310,000 which is the estimated cost of the venue hire, production costs, catering, security and utilities expenditure related to referendums at ExCel and the by-elections at ExCel, Alexandra Palace and Olympia. This will be recharged to the relevant Boroughs;
- 4) an exemption from the requirement under Section 9 of the GLA's Contracts and Funding Code to seek three or more written quotations or seek a call off from a suitable framework in relation to securing the three venues; and
- 5) an exemption from the requirement under Section 9 of the GLA's Contracts and Funding Code to seek a call off from a suitable framework or undertake a tender process in relation to the appointment of the election security management consultant.

**Greater London Returning Officer**

The above request has my approval.

**Signature**

**Date**

6 May 2021

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE GLRO**

### **Decision Required – Supporting Report**

#### **1. Introduction and Background**

- 1.1 The Mayor of London and London Assembly Elections due to take place on 7 May 2020 were postponed by Government in response to the COVID-19 virus. The new date is Thursday 6 May 2021.
- 1.2 The three venues booked previously for the Count are Alexandra Palace, Olympia and ExCel. All three venues have been retained for the 2021 dates, and the tenancy agreements for all three venues have been extended to 9 May 2021 as approved by GLRO 21-04. The venue hire fees were authorised in GLRO 20-04 and GLRO 21-04 to ensure venues are available for the postponed 2020 dates, and after discussions Olympia and ExCel agreed to carry over existing payments made for venue hire without forfeit.
- 1.3 As per GLRO 21- 04, Alexandra Palace charged a 65% (£97,500) cancellation fee for the venue hire fee arising from the postponed election and refunded the rest of the payment.
- 1.4 Further resilience is required in the planning and delivery for the Elections in 2021 due to the uncertainty brought about by COVID-19 and the unexpected consequences on contracted venues and services.
- 1.5 As per GLRO 21-04, greater flexibility is required for the 2021 Election Count due to extended and spaced working patterns to ensure a COVID-19 secure environment, this flexibility will also mitigate against an unexpected delay in the count process.
- 1.6 The GLA requires archiving services including ultimately the destruction of ballot boxes of the 2021 Mayoral and London Assembly elections. The GLA has an existing contract with Deepstore for archiving services which was signed in March 2017. The expenditure on the services is estimated to be £105,000. We are satisfied from a procurement perspective that these services may be instructed under the existing contract with Deepstore, and that there is sufficient headroom on the procured value of the existing contract to allow this additional expenditure.
- 1.7 The GLA requires security consulting advice for the 2021 Mayoral and London Assembly elections. The specification for the services includes carrying out various tabletop exercises and procuring security managers for the ExCel, Alexandra Palace and Olympia during the set-up, live count dates and the de-rig. The expenditure on the services is estimated to be £45,000. An exemption from the Code is sought in relation to the appointment of Colin Morgan Consulting as the security consultant. Colin Morgan Consulting is in a unique position to deliver the security consultation service for the Elections as they have unique knowledge of the GLA, policing, enforcement, security and they have extensive knowledge, experience and skills to provide such service. A single source justification is sought to appoint Colin Morgan Consulting, based on the consultant having previous involvement in a specific project or continuation of existing work which cannot be separated from the new project.
- 1.8 In 2016 a FM production company (Adfield Harvey), experienced at working with the venues and their suppliers, was appointed to provide the necessary logistical support. This worked well and they were appointed for the 2020 elections (as approved by the GLRO under cover of GLRO 20-04). Whilst work commenced with Adfield Harvey under the contract for the 2020 elections following the postponement of the elections until 2021 it became necessary to extend that contract and incur additional expenditure on the same which was approved by the GLRO under cover of GLRO 21-04. The FM production company will also play a significant role in the planning and implementation of COVID-19 secure layouts in each venue. There will be additional costs associated with COVID-19 secure planning for the venue layouts, and the additional safety infrastructure required. Catering services are required with an estimated value of £135,000. These services will be delivered through

sub-contractors to Adfield Harvey at ExCel, Alexandra Palace and Olympia. The expenditure on the Adfield Harvey contract is £1,115,000.

- 1.9 The GLA requires additional cleaning and disinfection services at all four venues City Hall, ExCel, Olympia and Alexandra Palace. The GLA has an existing contract with ABM signed in December 2018. ABM have extensive experience in carrying out disinfection of offices, public transport and the TFL public transport network. The expenditure on the services is estimated to be £40,000, and we are satisfied from a procurement perspective that these services may be instructed under the existing contract with ABM, and that there is sufficient headroom on the procured value of the existing contract to allow this additional expenditure.
- 1.10 There were a lot of unidentified factors regarding the true extent of the impact to implement COVID-19 secure measures. The full extent of these measures was not fully understood at that time the GLRO 21-04 was signed and additional measures had to be taken since then to ensure a safe and COVID-19 secure Election. The duration of count days was increased from one day to two days necessitating an increase in catering, cleaning, security and facilities management costs. The requirement to implement a disinfection cleaning regime and procure PPE for all staff working in the venues has contributed to the increase in the costs. Ballot box archiving was not previously included as part of the production costs in the GLRO 21-04 and is necessary as part of the overall measures to make the election COVID-19 secure.

<b>Items</b>	<b>Cost Approved by GLRO 21-04</b>	<b>Total Cost</b>
Productions Services (Adfield Harvey)	£490,000	£980,000
Catering (sub-contracted through Adfield Harvey)	Not specified	£135,000
Security Management (Colin Morgan Consulting)	Included in Production Services	£45,000
Cleaning (ABM)	Not specified	£40,000
Ballot box archiving (Deepstore)	Not Specified	£105,000
Revised Estimated Production Costs for 2021	<b>£490,000</b>	<b>£1,305,000</b>

- 1.11 Additional space is booked at ExCel, Olympia and Alexandra Palace to accommodate a higher number of expected by-elections and referendums. Securing additional space with these three venues also further mitigates against the impact of another Count Centre venue becoming unavailable. The three venues will also be used as part of the by-elections count for every borough and ExCel will be used for the Newham and Tower Hamlets referendum. The costs to accommodate these elections are included in the total above and will be re-charged to the relevant borough.

<b>Venues</b>	<b>Estimate Cost</b>
ExCel (Referendums)	£158,800
ExCel (By-elections)	£49,600
Olympia (By-elections)	£49,000
Alexandra Palace (By-elections)	£52,800
Estimated Costs	£310,200

- 1.12 The rental of count centre venues does not need to be advertised as a Find a Tender Service as transactions for the rental of existing buildings are exempt from the Public Contract Regulations 2015. As noted in GLRO 20-04 and GLRO 21-04 however, it is good practice to follow the GLA Contracts and Funding Code to ensure transparency and value for money. An exemption from the Code is sought as only these three venues meet the Authority's requirements. These include the geographical spread, ability to accommodate several constituencies with the same space, security of the venue and ease of access for transporting ballot papers. It will also be financially beneficial to the Authority as it will avoid the need to revise the layouts for centres by utilising the same venues. Officers are of the opinion that the exemption is justified as only these three venues continue to meet the Authority's requirements.

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

- 2.1 Authorisation is sought of the additional expenditure for the production related expenditure to support the Mayor of London and London Assembly Elections for the duration of the build, count and de-rig days.
- 2.2 The additional scope is to provide further contingency for a higher number of by-elections and referendums, also providing further resilience against COVID-19 and in the eventuality that one of the venues becomes unavailable.
- 2.3 By-elections for the Boroughs would be counted at the same location; and with the relevant share of the additional hire fee to be recharged to the Borough.
- 2.4 The GLA's contract with Adfield Harvey as the FM production company until 30 June 2021 has been extended. Adfield Harvey were previously appointed as the FM production company during both the 2016 and (as noted at section 1.5 above) postponed 2020 elections. Adfield Harvey are already authorised to work at all three venues and gained a great deal of practical experience during the last election and the postponed election to be directly applied in 2021. The rationale for the continued use of Adfield Harvey remains the same as that articulated in: GLRO 20-04 and GLRO 21-04 under cover of which the GLRO approved the award to this supplier of the contract for the postponed 2020 elections and the subsequent extension of that contract. FM production costs are variable based on a schedule of rates, dependant on the duration of the hire period and the level of support provided, and the estimate for works in 2020 was £325,000.
- 2.5 To appoint the production company, the GLA carried out a tender exercise to procure the most cost-effective service provider for the 2016 elections and Adfield Harvey provided the best value during that procurement exercise. An exemption from the Contracts and Funding Code for a single source tender was approved in 2018 for the continued appointment of Adfield Harvey for the 2020 election as they already gained extensive and valuable knowledge on how to deliver the set up and the operations of the count centres. We are satisfied that Adfield Harvey continues to offer value for money since when the contract was extended in 2020 their rates did not increase. We also scrutinised their cost and ensured it is cost competitive in the current climate by seeking quotes ourselves for elements of the total production cost.
- 2.6 The FM event production costs will include:
- a) a fee from the production company for providing advice and consultancy regarding the venues, set-up and logistics;
  - b) charges for the furniture, utilities, equipment, hotel booking and services such as security and catering that are required at all the venues, including City Hall. Catering and additional security measures (excluding security consultation services) are provided via subcontractors of Adfield Harvey; and

c) cleaning, Ballot box archiving and security consultation services are procured directly by the GLA using existing contracts in place.

- 2.7 The final costs for this will only be known after the election when final accounts are submitted. They are higher than 2016 and 2020 estimates as some services are people-based, and labour costs have increased since the previous approval was signed for the 2020 elections. Much of the furniture and equipment costs is dependent on the requirements set out by the e-counting contractor's proposal for setting up the count centres. There will be additional FM production expenditure to ensure count layouts are COVID-19 secure.
- 2.8 Delivering the elections is a statutory duty of the GLA and the costs incurred are all necessary to support that duty. The global pandemic has significantly changed the operating landscape as there was no previous experience to fall back on to estimate the cost of the production company to ensure that the elections are delivered in COVID-19 secure manner. Costs are scrutinised by responsible GLA officers responsible for each element. Mostly the costs incurred are driven by government guidelines to maintain a COVID-19 secure venues and events.
- 2.9 Considering all the above and the cost of the production company has incurred to date it is estimated that the FM event production spend will be circa £1,305,000 to make the count centres COVID-19 secure.
- 2.10 The services provided by Deepstore will ensure all ballot boxes are securely removed, stored offsite and the destruction of the ballot boxes after a period of 12 months has elapsed from collection. As part of the contract Deepstore will provide contingency transport to relocate ballot boxes from one venue to another if it becomes unavailable during the count days.

### **3. Other considerations**

#### *a) Key risks and issues*

- 3.1 The key risk of planning the set-up and logistics of the count centres without engaging a production company is that the GLA would not leverage added value from the extra essential services that can only be provided by the venues or their approved suppliers such as power, catering, security and access to additional space or extra free time. The GLA does not have the resources in-house to carry out the necessary detailed planning, procurement and delivery of all the hired furniture and equipment, services and logistics that are necessary to provide fully functional venues that are fit for purpose in the timeframes required.
- 3.2 There is a risk that there will be insufficient budget available to enable the additional services and supplies to be provided if the approvals sought are not granted which would impact greatly on the GLRO's ability to deliver the elections.

#### *b) Impact assessments and consultation*

- 3.3 All venues are fully accessible to all visitors to the count centres. The venues are of a sufficient size to ensure that this accessibility is maintained when the e-counting equipment is put in place.
- 3.4 The venues will be set-up as COVID-19 secure environments.
- 3.5 There are no conflicts of interest to declare from any of the officers involved in the drafting of this decision form.

#### **4. Financial comments**

- 4.1 GLRO approval is being sought for agreeing a further budget and expenditure of up to £815,000 for FM production and security costs. The 2021 estimate for the venues production costs covers consultancy, fit-out, set-up, security, catering, hotel booking, equipment hires, document archiving and supporting FM supplies and services to the Count Centres and City Hall while ensuring the venues are COVID-19 secure and allowing some contingency.
- 4.2 This brings the total budget and expenditure approval for Elections support services, equipment and venue hire costs at the Count Centres and City Hall for the 2021 Elections to up to £2,493,300 (original venue costs of £587,550 approved under GRLO 20-04 plus the budget for additional space and venue hire of up to £600,750 and revised FM production costs of up to £1,305,000). The budget of £2,493,300 includes the Alexandra Palace cancelation fees of £97,500 and a contingency budget of £10,000. The revised figure does not include the sunk/ abortive costs of £58,000 incurred in 2019-2020.
- 4.3 The expenditure will be funded by the 2020-21 and 2021-22 Elections Budgets and the cost will be accounted for in the year they are delivered.
- 4.4 The total re-charge for the by-elections and referendums will be approximately £310,000. This figure will offset a portion of the total elections cost for the production services, support facilities and hire of the three venues to deliver a safe and secure count days.

#### **5. Legal comments**

- 5.1 By s 29 of the Greater London Authority Act 1999 (the “Act”), the Greater London Returning Officer (GLRO) is the person appointed as the proper officer for the purposes of s 35 (2C) of the Representation of the People Act (RotPA) 1981 (returning officer at elections of the Mayor and London members). The Mayor and Assembly have appointed the Chief Officer the GLRO as part of her terms and conditions of employment under s 70(2) of the Act.
- 5.2 The GLRO is the returning officer for the Mayoral and London Member elections, and constituency returning officers are the returning officers for the election of a Constituency Member of the Assembly. The Authority must, under section 36(4B) of RotPA, pay for all expenditure properly incurred by a returning officer in relation to the holding of an Authority election, in so far as it does not, in cases where there is a scale fixed by the Authority, exceed that scale.
- 5.3 The Authority’s Scheme of Delegation enables the GLRO to incur expenditure for the purposes of the preparation or conduct of any anticipated election as she considers necessary or expedient for that purpose. She is also able to authorise entry into contracts, licences or other instruments, in connection with an anticipated election in accordance with the Authority’s Contracts and Funding Code (the “Code”) and Financial Regulations.
- 5.4 Officers have indicated in foregoing sections that the grounds on which the GLRO approved and reaffirmed the application of exemptions from the GLA’s Contracts and Funding Code under cover of GLRO 20-04 and GLRO 21-04 continue to apply and the proposals represent value for money. On that basis the GLRO may approve the continued application of the exemptions if satisfied with the content of this report.
- 5.5 Should the GLRO be minded to grant the approvals sought officers must ensure that: the GLA’s contract with Adfield Harvey is varied (in accordance with its provisions); any other contracts required

for services and/or supplies with other parties are procured, varied, entered into and executed by the GLA and providers before placing any reliance on the same.

- 5.6 The procurement of venue hire for the referendums and by elections is exempt from the Public Contracts Regulations 2015, but it is good practice to follow the Code for transparency and value for money, for example Section 9 of the Code which requires the GLA to seek three or more written quotations in respect of the supplies required (in this case venue hire). However, the GLRO may approve an exemption from this requirement under section 10 of the Code upon certain specified grounds. One of those grounds is that the approval of the exemption is justified because the supplier (the venue provider) is unique in its ability to provide a venue which is compatible with the requirements of the Authority. Officers have indicated at paragraph 1.12 of this report that this ground applies. Officers must ensure that the proposed contracts offer value for money. On this basis the GLRO may approve the proposed exemption if satisfied with the content of this report. Officers must ensure that appropriate agreements are entered into between the venue owners and the Authority before placing reliance upon the use of the venues and should seek advice on the terms of those agreements if required.
- 5.7 Section 9 of the Code requires the Authority to undertake a tender process compliant with the Public Contracts Regulations 2015 or seek a call off from a suitable framework for the appointment of the security consultant to provide security management consultancy services. However, the GLRO may approve an exemption from this requirement under Section 10 of the Code upon certain specified grounds. One of those grounds is previous involvement in a specific current project or continuation of existing work which cannot be separated from the new project. Officers have indicated at paragraph 1.7 of this report that this ground applies. Officers must ensure that the proposed contract secures value for money. On this basis the GLRO may approve the proposed exemption if satisfied with the content of this report. Officers must ensure that an appropriate agreement is entered into between the security consultant and the GLA before placing reliance upon the services and should seek advice on the terms of the agreement if required.

## **Appendices and supporting papers:**

### Appendices

None

### Supporting papers

GLRO 20-04

GLRO 21-04

Single Source Justification for the award of contract to Adfield Harvey.

**Public access to information**

Although the GLRO is not subject to the Freedom of Information Act 2000 (FOI Act), the information in this form will be published on the GLA website once the deferred period has expired.

If immediate publication risks comprising the implementation of the decision (for example, to complete a procurement process), it will be deferred until a specific date. Deferral periods will 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:**

Is there a part 2 form: No

<b>ORIGINATING OFFICER DECLARATION:</b>	Drafting officer to confirm the following (✓)
<u>Drafting officer:</u>  <u>Ali Raeiskarimi</u> has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.	✓
The <u>Deputy GLRO</u> has reviewed the request and is satisfied that it is correct and can be referred to the GLRO for approval.	✓

**Executive Director, Resources**

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

**Signature**



**Date**

6 May 2021