

PART TWO

Confidential facts and advice

Facilities Management Soft Service Provision

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Governance Team for advice.

This information is not for publication because:

Publication of the information included in this report is deferred as its disclosure would be likely to prejudice the commercial interests of the London Fire Commissioner (LFC) and the suppliers of the Soft FM services. The figures included in this report are directly related to the amount of funding available to complete the procurement actions. This is sensitive as suppliers tendering could adjust their prices higher to utilize more of the budget available.

Legal recommendation on the grounds of keeping the information confidential:

In the event the information contained in this Part Two is the subject of a request for information under section 1 of the Freedom of Information Act 2000 (the "Act"), it is considered that access can be denied on the basis that such information constitutes exempt information under:

Section 43(2) of the Act provides an exemption from disclosure where the release of such information would, or would likely to, prejudice the commercial interests of any person (including the public authority holding it).

Public Interest Assessment

On balance, it is considered that the public interest is best served if the information contained in this Part 2 report is not disclosed at this point. Disclosure by the LFC of the information in this Part 2 report would likely to have a detrimental effect on the LFC's commercial position in the procurement of services detailed in this report.

The eligibility of the exemption should be reassessed in the event of a FOI request for this information as the sensitivity will change over time and different circumstances may alter the arguments in favor of disclosure.

The recommended period for non-publication of Part 2 is 12 months or until signing of the agreement with the successful supplier of the services referenced in Part 1.

Legal Adviser

I make the above recommendations that this information should be considered confidential at this time.

Name: Hameera Darr	Date: 15.10.2024
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Confidential decision and/or advice

Introduction and background

- 1.1 The current annual budget for soft services is £3,765,518 which includes planned and reactive services.
- 1.2 The current annual cost for these services, which includes the provision of the building manager and reception staff at LFC's headquarters, is £3,939,490. The additional costs beyond the current budget are being funded by underspends in staffing for the vacancies that have been outsourced.
- 1.3 A saving of £381,000 per annum has been offered as part of the 2025/26 budget process to reduce the scope of services and remove the six-monthly sanitisation programme. This results in a revised annual cost of £3,558,490.
- 1.4 The estimated annual cost for the new contract is £3,736,415, which includes a 5% increase to reflect anticipated cost increases following the procurement process due to inflation and market forces. This results in an estimated total cost for the term of the contract of £18,682,075. The Deputy Mayor is requested to approve this commitment of expenditure.
- 1.5 This does not include any allowance for inflationary increases which will be applicable for each year of the new contract.

Objectives and expected outcomes

This is covered in part 1 of this report.

Financial comments

The current annual cost of the soft services contract of £3,939,490 is budgeted for through a combination of the existing soft FM budget as stated at paragraph 1.1 above, and staffing underspend

as a result of vacancies outsourced through the contract.

The MTFs allows for annual inflationary increases on the contract, assumed at 5% for 2025/26. In addition, an annual recurring saving of £381,000 has been taken forward as part of the 2025/26 draft budget submission, to be delivered through a reduced contract scope. The annual budget available for the new contract is therefore £3,736,415 from April 2025 and this will need to be reflected in the procurement process.

Legal comments

The legal implications for the proposal have been set out in Part 1 of this report.

Confidential appendices and supporting papers

None