

REQUEST FOR DEPUTY MAYOR FOR FIRE AND RESILIENCE DECISION – DMFD160

Title: Water Supply Contract

Executive summary:

This report seeks the approval of the Deputy Mayor for Fire and Resilience for the London Fire Commissioner (LFC) to commit revenue expenditure, as set out in Part 2 of the report, for the provision of water supplies for the term of the contract. The contract would commence in May 2022 and end in October 2024.

The water supply contract is an essential service to provide potable water to all London Fire Brigade (LFB) premises, to ensure the health and welfare of the occupants, and to enable operational and training tasks to be undertaken. The metered water supplied under this contract is not used for firefighting purposes. The current water supply contract with Anglian Water Business (National), trading as Wave Utilities, is due to expire on 30 April 2022.

The recommended contract is within the current LFB budget for water and includes additional strategic services. This contract will provide the data and management required to assist with the implementation of LFB's water-saving strategy; and determine where and when water and financial savings can be made. It is recommended that the new contract is awarded to the successful supplier under the Yorkshire Purchase Organisation framework.

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:

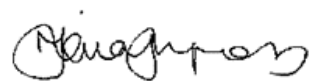
That the Deputy Mayor for Fire and Resilience authorises the LFC to commit revenue expenditure as set out in Part 2 of the report for the provision of water supplies.

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:

9/5/22

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

Decision required – supporting report

1. Introduction and background

- 1.1 Report LFC-0666 to the London Fire Commissioner (LFC) sets out the background for the request to approve expenditure for the London Fire Brigade (LFB) for the provision of water supplies for the term of the contract.
- 1.2 The current water supply contract with Wave, a water retailer that supplies to over 300,000 businesses and public-sector organisations across the UK, is due to expire on 30 April 2022. Upon expiry, the provision of water supply would revert to a standard variable rate with the same provider. Wave has provided this service since 2018. This contract was initially for a three-year term, with the option to extend for two years. An extension was granted for one year to the end of April 2022. The metered water supplied under this contract is not used for firefighting purposes.
- 1.3 The water supply industry was opened up for competition in 2017, resulting in companies such as Wave being able to offer this service, with customers not being 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.
- 1.4 The procurement route recommended is to utilise existing compliant frameworks. Proposals from two frameworks have been received: the Yorkshire Purchase Organisation (YPO) framework; and the North East Purchasing Organisation (NEPO) framework. Both proposals are fully compliant in terms of specification and service required, and the contract term will be two-and-a-half-years. The recommendation is to proceed with the YPO framework.
- 1.5 The YPO framework specification includes the following additional benefits:
 - An active water-management service to monitor consumption and save water. This facility was not part of the current contract, and due to advances in technology in the industry, this element would provide benefits that could save water and money. If water consumption is reduced by 10 per cent, this will reduce costs and would have a positive impact on reducing carbon emissions by 33 tonnes. This is in the context of Thames Water forecasting that by 2100 there could be a shortfall of 864m litres per day in London due to population growth and climate change impacts.
 - Management and monitoring of water-supplier performance, incorporating key performance indicators (KPIs), focused on continuous improvement. A new online portal will enable easy access to management reports and identifying areas of improvement.
 - Access to a range of additional services, including leak detection and repair, and emergency planning (these would require additional funding).

2. Objectives and expected outcomes

- 2.1 The aim to is to ensure a water supply contract is put in place that provides value for money and added value through improved service, which incorporates continuous improvement through the

use of developing technology, monitoring and reporting. This contract will provide the data and management required to assist with the implementation of LFB's water-saving strategy; and determine where and when consumption and cost savings can be made.

- 2.2 The proposed contract would commence on 1 May 2022 and end on 31 October 2024. This is subject to Deputy Mayor for Fire and Resilience and LFC approval being granted ahead of 1 May 2022. Should this not be possible, the arrangements set out in Part 2 of this report will apply until the contract commences.

3. Equality comments

- 3.1 The Deputy Mayor for Fire and Resilience is 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 The supply of water under this contract will have a neutral impact on equality and diversity for LFB employees.
- 3.9 The suppliers on the YPO framework are part of Anglian Water, which has a diversity and inclusion policy that includes the following features:
- The policy complies with the Equality Act 2010. The protected characteristics included in the policy 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.
 - The policy is subject to regular review and updated as required.
 - It promotes diversity and inclusion, and values the impact and contribution that individuals from all different backgrounds, origins and perspectives can bring to our organisation and culture.
 - It specifically states that there is no discrimination in any way against any individual; and that Anglian Water specifically prohibits any discrimination, harassment, victimisation or unfair treatment against any individual on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation, caring responsibilities, ex-offender status, relationship status, family responsibilities or political opinion.
 - The policy confirms:
 - there is a strategy to ensure the supplier is representative of the customer base, to be able to understand and meet the needs of Anglian Water's customers and reflect the communities it serves
 - adoption of fair and inclusive practices throughout to create a culture of respect and dignity
 - a shared ownership approach to diversity and inclusion is embedded across the company, whereby the Management Board and Senior Leaders create an environment that supports equality and values diversity
 - equal access to training and development support; and that equality, diversity and inclusion elements are built into training where relevant.

- Workplace diversity and inclusion is monitored, and is included in appropriate information on progress and activities within the company's annual report.

4. Other considerations

Workforce comments

- 4.1 No workforce implications are anticipated. The provider will deliver the training required for the new portal to ensure staff can use the tools and data to benefit the service.

Sustainability and procurement comments

- 4.2 This report details the addition of an active water-management service to monitor consumption and save water, as well as the management and monitoring of water-supplier performance, incorporating KPIs focused on continuous improvement.
- 4.3 Where possible, LFB tries to utilise existing frameworks for tendering for its needs, in accordance with the GLA Group collaborative procurement approach. Two national frameworks were examined, to consider which best suited LFB's service requirements. Both frameworks were advertised in accordance with the Public Contract Regulations 2015; and a thorough evaluation of the responses received was carried out, including both qualitative and value-for-money considerations.
- 4.4 The YPO framework includes water rates that are competitive and in accordance with the current rates paid by LFB under its existing call-off contract. This means, overall, that LFB is accessing competitive rates that reflect a large client base.
- 4.5 The approach to this procurement activity is fully in compliance with current systems as the services will be tendered in accordance with the LFC's Scheme of Governance Part 3 (Standing Orders relating to Procurement and Contracts).

Conflicts of interest

- 4.6 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 approval for the LFC to commit revenue expenditure required for the provision of water supplies for the term of the proposed contract. The recommended contract is within the current LFB budget for water. Specific costs are included in the Part 2 report.
- 5.2 The report also notes that the contract will provide data and management requirement to support determining where savings can be made. Any savings will be reported as part of the regular financial position reports, and considered as part of the budget process for future years.
- 5.3 There are no direct financial implications for the GLA.

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 GLA Act 1999, as amended by the Policing and Crime Act 2017, 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 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).
- 6.3 Paragraph (b) of Part 2 of the said 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...”.
- 6.4 The Deputy Mayor’s approval is accordingly required for the LFC to make a call-off under the YPO framework for the provision of water services.
- 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, under which the LFC must secure the provision of personnel, services and infrastructure necessary to efficiently meet all normal requirements for firefighting.
- 6.6 The approach to this procurement activity is fully in compliance with current systems as the services will be tendered in accordance with the LFC’s Scheme of Governance Part 3 (Standing Orders relating to Procurement and Contracts).
- 6.7 This report seeks approval for the LFC to commit revenue expenditure required for the provision of water supplies for the term of the contract. The contract would commence on 1 May 2022, and end on 31 October 2024.
- 6.8 These comments have been adopted from those provided by the LFC’s General Counsel Department in report LFC-0654 to the LFC.

Appendices and supporting papers:

Part 1 of Report LFC-0666

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

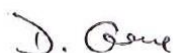
A summary of this decision was considered by the Corporate Investment Board on 9 May 2022

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

11/5/22