

GREATER LONDON AUTHORITY

REQUEST FOR DEPUTY MAYOR FOR FIRE AND RESILIENCE DECISION – DMFD137

Title: Contract Extension – Vision Mobilising System

Executive summary:

This report seeks the approval of the Deputy Mayor for Fire and Resilience for the London Fire Commissioner (LFC) to commit expenditure up to £3,641,548 to extend the existing contract with Capita Business Services Ltd for the Vision mobilising system by two years, to run until July 2024.

A 10-year contract for the supply of the Vision mobilising system, integrated communication control system (ICCS) and station-end equipment, was awarded to Capita Business Services Ltd on 1 August 2012. The initial term is due to expire on 31 July 2022; however, the contract contains options to extend incrementally up to July 2026. A project to replace the current mobilising solution is under way.

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 expenditure of up to £3,641,548 to extend the existing contract with Capita Business Services Ltd for use of the Vision mobilising system and associated systems for two years, to run until July 2024.

Deputy Mayor for Fire and Resilience: David Bellamy on behalf of Dr Fiona Twycross

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

The above request has my approval.

Signature:



Date:

3/12/21

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

Decision required – supporting report

1. Introduction and background

- 1.1 Report LFC-0583 to the London Fire Commissioner (LFC) sets out the background for the request to approve expenditure for the London Fire Brigade (LFB) to extend the existing contract with Capita Business Services Ltd for use of the Vision mobilising and associated systems for two years, to run until July 2024. Vision provides for LFB Control officers to receive emergency and other operational calls, and to mobilise LFB resources in response.
- 1.2 The current mobilising system (Vision) was supplied by Capita Business Services Ltd and went live in November 2015. The contract was for the provision of mobilising and related services, including an Integrated Communication Control System (ICCS) that provides the voice and data communications hub of the mobilising solution designed to provide control of a number of integrated subsystems. These may include digital and analogue telephone and radio systems, with call handling systems and station-end equipment.
- 1.3 The current contract with Capita Business Services Ltd is set to end in July 2022, but there is an option to extend the contract until 2026. The LFC is currently in discussions with Capita Business Services Ltd to extend the contract up to July 2024, with further options available to extend the contract up to 2026 if required.
- 1.4 The service currently in operation remains aligned with the original tender specification. However, enhancements have been made to the system since system go-live in late 2015, reflecting the changing requirements of LFB Control.
- 1.5 A project to replace the mobilising solution was agreed in March 2021 and is currently under way with a target to complete in 2024 as set out in decision LFC-0216x-D, “Replacement Mobilising Solution: Options” (Appendix 1 to the appended report) and the expenditure was approved in Deputy Mayor for Fire and Resilience Decision 54. Based upon our previous experience of replacing such systems, this process can take up to four years from inception to completion. The project is split into three phases and is currently in Phase 2, the requirements gathering stage. The supporting document to the LFC’s decision LFC0216x acknowledges that an extension of the current contract with Capita Business Services Ltd will be required.

2. Objectives and expected outcomes

Contract extension costs

- 2.1 When the contract for the new mobilising system was awarded, it was estimated that over a 10-year period, the cost to the LFC would be around £20,000,000. Actual costs will have varied as additional functionality was requested and delivered over the life of the contract and credits issued to LFC for key performance indicator failures over this period, as part of ongoing contract management activities.
- 2.2 Capita Business Services Ltd has provided a quotation for extending the contract for a further two years, to July 2024, as follows:

Year	Price	Indexation @ 5%	Total
2022-23	£1,364,796	£68,239.80	£1,433,035.80
2023-24	£1,433,035.80	£71,651.79	£1,504,687.59
Total			£2,937,723.39

- 2.3 The cost of extending the contract beyond 2022 is not included in the financial model for the contract. Therefore, the costs for the next two years have been determined by applying inflation costs to the existing payment. The contract states that the K54U index for average weekly earnings is to be used when applying inflation and so this has been used to arrive at the above costs. However, as the KS4U indexation costs are produced retrospectively (for example, the July figure is not normally available until September), it is not possible to predict with any degree of certainty, what the K45U figure will be from August 2022 to July 2024. Therefore, for planning purposes, the LFB has assumed a K45U index figure of 5 per cent. Adjustments to the two-year extension cost (based on the actual KS45U figure for the two years to July 2024) will be made over the life of the contract, and will use the actual K45U index figure for that period.
- 2.4 In addition to the above-projected costs, there are a number of contract change notices (CCNs) being finalised, including support for a new Fire Survival Guidance application being introduced for LFB to share information more effectively during incidents. These CCNs have not yet been agreed and will be subject to the usual contract governance regime for the Capita Business Services Ltd contract. However, should these CCNs be agreed by the LFC and Capita Business Services Ltd, this will add a further cost of £302,443 per annum to the cost, giving an additional two-year cost of £604,886. Revised pricing taking into account the pending CCNs is shown in the table below.

Year	Price	Indexation @ 5%	Total
2022-23	£1,364,796	£68,239.80	£1,433,035.80
2023-24	£1,433,035.80	£71,651.79	£1,504,687.59
CCN	£604,886		£604,886
Contingency	£98,938.61		£98,938.61
Total			£3,641,548

- 2.6 The current budget for annual payments to Capita Business Services Ltd for the Vision and associated systems is £1,820,774, which includes an element for chargeable items such as accidental damage or station refurbishment. The two-year budget is £3,641,548; therefore, all the above costs can be contained within existing budgets, even working with the 5 per cent indexation planning estimate.
- 2.7 A contingency sum of £98,938.61 is included in the above price breakdown. This contingency is designed to address the following areas:

- breakages at stations that are not covered under maintenance (i.e. speakers)
- to allow us to respond to requests to reconfigure station layouts, which may involve equipment moves, as happens from time to time
- to ensure sufficient funding for minor variations in CCN pricing and associated indexation.

Risks

- 2.8 The main risk that has been identified relates to the recent announcement that Capita Business Services Ltd has decided to sell off its emergency services division. This risk has been added to the ICT departmental risk log and is being monitored.
- 2.9 In addition, the LFB's Chief Information Officer has been in touch with representatives from the National Fire Chiefs Council, which is liaising with government to ensure that the potential risk to the fire sector (Capita Business Services Ltd has 60 per cent of the current fire and rescue service systems market) is understood. As part of this consultation regular discussions are ongoing to ensure that the sector is kept abreast of developments.
- 2.10 LFB has received assurances from Capita Business Services Ltd that they are in the advanced stages of discussions with interested suppliers, and are planning a sale of the business before the end of 2021. Furthermore, Capita Business Services Ltd insists it will only sell the business to another organisation that already operates within the emergency services domain, and which is committed to supporting and developing the product set.
- 2.11 It is not possible for LFB to comment further on this risk until further information about the progress of the sale is made public, as Capita Business Services Ltd provides services as part of the critical national infrastructure (CNI) to a large number of fire and rescue services. In addition, Capita Business Services Ltd provides critical services to central government agencies such as Border Force, and the situation and potential impact may warrant government intervention if elements of the CNI are impacted.
- 2.12 Nevertheless, a supplier failure plan has been developed to illustrate how core mobilising services would continue in the unlikely event of a complete supplier failure.

Alternative options considered and consultation

- 2.13 Even with the risk identified relating to the sale of Capita Business Services Ltd, the LFB is not currently considering any alternative options in respect to the two-year extension of the mobilising contract. The LFB does not believe that it can implement a new solution from any other supplier prior to 2024, taking into account requirements analysis, governance, procurement and implementation activities.

3. Equality comments

- 3.1 The LFC and the Deputy Mayor for Fire and Resilience 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 An Equality Impact Assessment (EIA) was completed as part of the original procurement of the mobilising system. However, since this was completed in 2012, a further EIA has been completed as part of this contract extension due to the elapsed time since.

- 3.9 The EIA found that there were no negative impacts on any of the groups with protected characteristics, as defined in the Equality Act.

4. Other considerations

Workforce comments

- 4.1 The extension of the Vision contract will not have any impact upon the workforce, predominantly Control officers. The subsequent project to procure a new mobilising system will be subject to staff side consultation.

Sustainability and procurement implications

- 4.2 The LFC awarded the contract to Capita Business Services Ltd via an OJEU tender, following a company restructure the contract is now with Capita Secure Information Systems. The contract is for an initial term of 10 years and commenced on 1 August 2012. The contract also includes an optional further extension to the term of up to four years, if notice is given prior to expiry of the contract. The current expiry date is 31 July 2022, prior to enacting any further period of extension. Extending the contract would see it terminate on 31 July 2026 if both two-year extensions are used.
- 4.3. A price review is due on the anniversary of the contract, which will be in accordance with the index referenced in the terms and conditions (K54U). This review, "AWE: Whole Economy Index: Seasonally Adjusted Total Pay Excluding Arrears", is produced by the Office for National Statistics.
- 4.4 Consideration of responsible procurement requirements will be undertaken as standard process, as part of the future re-tender. Responsible procurement requirements of the supplier, Capita Business Services Ltd, include:
- compliance with the Modern Slavery Act, with a published statement
 - a Prompt Payment Code signatory, and a meeting of the Code's target of 95 per cent payment in 60 days (Capita Business Service achieved 98 per cent for the reporting period of 1 January 2021 to 30 June 2021)
 - operating an Environment Management System certified to ISO 14,001.

The Responsible Procurement Team will in addition monitor Capita Business Services Ltd's reported average gender pay gap, with women's mean hourly pay 15.2 per cent lower than men's, although this is not a specific requirement of the contract.)

- 4.5 There will be no other sustainability implications arising from this contract extension.

5. Financial comments

- 5.1 This report proposes a two-year extension to the existing Vision Mobilising System with Capita Business Services Ltd. The current 10-year contract is due to expire in July 2022, this extension

would run until 31 July 2024. The report notes that this will result in a revenue costs of up to £3,641,548 for the two-year extension across 2022-23 and 2023-24; this cost is based on the Capita Business Services Ltd extension quote at £2,937,723.39, including indexation at 5% per annum. The overall expenditure figure outlined in this Decision also includes charges for contract change notices, to be finalised, at £604,886; and a contingency of £98,938.

- 5.2 LFB's draft 2022-23 budget submission proposes a base budget of £1,820,774 per annum including the indexation of 5 per cent per annum as per the contract and costs of the contract extension can be contained within the LFB's existing IT control and mobilising system CAMS (mobilising) contract revenue budget.
- 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 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 decision to extend the Capita Business Services Ltd contract for Vision mobilising and associated systems by a further two years at a cost of up to £3,641,548 will therefore require approval from the Deputy Mayor.
- 6.4 The LFB's General Counsel notes that the Vision mobilising and associated systems was tendered compliantly in accordance with the Public Contracts Regulations 2015.
- 6.5 The statutory basis for the actions proposed in this report is provided by sections 7 and 5A of the Fire and Rescue Services Act 2004 (FRSA 2004). Under Section 7(2)(a) FRSA 2004 the LFC has the power to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting and section 5A allows the LFC to procure personnel, services and equipment they consider appropriate for purposes incidental or indirectly incidental to their functional purposes.

Appendices and supporting papers:

Report LFC-0583 – Contract Extension – Vision Mobilising System

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? Yes

If YES, for what reason:

The commercial interests of the LFC require deferral of the decision until after the cooling off period for the contract award has expired.

Until what date: 1 February 2022

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 – NO

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.

✓

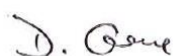
Corporate Investment Board

This decision was agreed by the Corporate Investment Board on .

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

26/11/21