

## REQUEST FOR DEPUTY MAYOR FOR FIRE & RESILIENCE DECISION – DMFD69

### Title: Premises Asset Replacement Works for London Fire Brigade Estate

#### Executive Summary:

This report seeks approval for the London Fire Commissioner (LFC) to undertake key assets replacement works at various premises to avoid asset dilapidation.

These works were programmed and funded under the capital programme of works as detailed in the Capital Strategy. The works will be tendered in accordance with the London Fire Commissioner's Code of Practice on Tenders and Contracts.

Where possible, London Fire Brigade tries to utilise existing frameworks for tendering works, in accordance with the Greater London Authority (GLA) collaborative procurement approach. LFB is not currently in-scope to use the Transport for London (TfL) minor works framework, however LFB is exploring the suitability of using existing framework agreements including the MET Construction Framework and other public sector frameworks for delivering major and minor building projects. This may not be viable for these asset replacement works, which require bespoke specifications and risk management for the associated costs. If there is no suitable framework the works will be tendered using the BlueLight portal, which gives access to suppliers to police and fire and rescue services.

The works will be delivered using external consultants due to the complexity and volume of the programme. All the timelines of the works are subject to the current COVID-19 restrictions which are expected to impact in the procurement and delivery of projects.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the London Fire Commissioner 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:

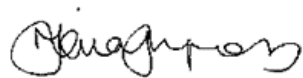
That the Deputy Mayor for Fire and Resilience authorises the London Fire Commissioner to commit capital expenditure of £11,959,460 and revenue expenditure of £357,000 for the asset replacement works as set out in report LFC-0354y to the London Fire Commissioner.

#### 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:**

3 July 2020

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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 Report LFC-0354y to the London Fire Commissioner sets out the background for the request to approve key asset replacement works. The Brigade's Asset Management Plan (Property) 2017, identified that condition surveys will be undertaken bi-yearly on a rolling programme to all of the Brigade's fire stations to identify building fabric, mechanical and electrical asset replacements required in order to maintain operational efficiency of the fire station and health and safety compliance.
- 1.2 Since publication of the Brigade's Asset Management Plan 2017, officers have completed key asset replacement works. The London Fire Commissioner now seeks approval for a further set of works to be completed.
- 1.3 The asset replacement works the Commissioner is seeking approval for are rated as condition 'C' (poor condition) and beyond their economic design life and are deteriorating. If they continue to deteriorate further, they will give rise to non-compliant environmental conditions, health and safety concerns and possible non-compliance with statutory instruments.
- 1.4 All asset replacement works will be replaced in accordance with the Brigade's Standard Station Design Brief (SSDB), to ensure they have key performance attributes of longevity and robustness to withstand the environment of an operational fire station.
- 1.5 These replacement asset works will contribute to the strategic aim of reducing the Brigade's maintenance backlog, as reported in the Asset Management Plan 2017.
- 1.6 The works will be carried out during normal working hours, being planned and phased to ensure fire stations remain fully operational at all times. Any interruptions to the power supplies will be kept to a minimum and be pre-planned and executed using the Brigade's established protocols and periods of notice to all relevant parties.

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

##### *Procurement*

- 2.1 The works will be tendered in accordance with the London Fire Commissioner's Code of Practice on Tenders and Contracts and the Commissioner's external consultants will recommend the appointment of the most economically advantageous tenderer to carry out these works.
- 2.2 Where possible, London Fire Brigade tries to utilise existing frameworks for tendering works, in accordance with the Greater London Authority (GLA) collaborative procurement approach. LFB is not currently in-scope to use the Transport for London (TfL) minor works framework, however LFB is exploring the suitability of using existing framework agreements including the Metropolitan Police Service (MPS) Construction Framework and other public sector frameworks for delivering major and minor building projects. This may not be viable for these asset replacement works, which require bespoke specifications and risk management for the associated costs. The MPS Construction Framework is the procurement vehicle for the MPS to appoint contractors for minor and intermediate works up to £10,000,000 in value. Awarded in 2017, this four-year framework contract covers works to include internal refurbishment, fit-out of buildings, alterations, extensions, decoration, mechanical and electrical installation work, internal fabric repairs, external fabric repairs, demolition, asbestos removal and new build works.

- 2.3 If there is no suitable framework the works will be tendered using the BlueLight portal, which gives access to suppliers to police and fire and rescue services.
- 2.4 The preferred contractor will be selected based on their tender sum and the quality of their tender submission, their price being the most competitive and their tender documents being the most comprehensive.
- 2.5 Each of the asset replacement projects is anticipated to be below the OJEU works threshold of £4,551,413, negating the need to conduct an OJEU procurement process.
- 2.6 The works are subject to a competitive tendering exercise through the BlueLight tendering portal with bids sought from five tenderers, for each project. Officers will ensure that a tender analysis report is completed for each project to ensure compliant bids.

#### *Capital costs*

- 2.7 LFB officers have commissioned feasibility reports for the proposed works. Technical consultants have been appointed through an LFB framework agreement to produce feasibility reports to include a detailed cost estimate for the schemes. It is believed that the consultants have been over-cautious with their estimated costs. LFB expect the costs to be significantly lower on tender return and will be featured in the updated capital programme after tender return.
- 2.8 The asset replacement works are at a total estimated capital cost of £11,959,460, which includes a contingency allowance in each project tender. Those contingencies are 7% of construction costs for projects with a value of under £500,000; 5.6% of construction costs for projects with a value of over £500,000; and 2.3% of construction costs for projects with a value of more than £1,000,000. A breakdown of those costs is summarised in the table below:

Category	Fire station / site	Project pre-tender cost (£)
<b>Appliance bay door replacements</b>	Barnet, Leyton and Holloway	<b>572,632</b>
	Dowgate, Erith	<b>282,971</b>
	Finchley	<b>309, 552</b>
	Eltham	<b>150, 037</b>
	Paddington	<b>269, 114</b>
<b>SUB-TOTAL</b>		<b>£1,584,306</b>
<b>Minor improvements</b>	East Ham, Lewisham, Paddington	<b>637,504</b>
	Heston	<b>714,889</b>
	Barking, Holloway	<b>199,508</b>

	Clapham, Euston, Hillingdon, Hornchurch, Northolt, Twickenham	<b>760,628</b>
<b>SUB-TOTAL</b>		<b>£2,312,530</b>
<b>Heating replacements</b>	Euston	<b>1,037,575</b>
	Hornsey	<b>567,593</b>
	Wimbledon	<b>870,925</b>
<b>SUB-TOTAL</b>		<b>£2,476,093</b>
<b>Refurbishments</b>	LFB Headquarters, Lewisham, Merton, London Operations Centre, Paddington, Shoreditch, Soho	<b>1,607,511</b>
<b>SUB-TOTAL</b>		<b>£1,607,511</b>
<b>Roofing replacements</b>	Bromley	<b>285,441</b>
	East Ham, Erith	<b>899,530</b>
<b>SUB-TOTAL</b>		<b>£1,184,971</b>
<b>Roof and window replacements</b>	Chelsea (Roof and windows)	<b>415,328</b>
	Surbiton (Roof and windows)	<b>376,454</b>
	Euston (Windows)	<b>312,255</b>
	Finchley (Windows)	<b>261,906</b>
	Harrow TC (Windows)	<b>320,619</b>
	Tooting (Windows)	<b>196,486</b>
<b>SUB-TOTAL</b>		<b>£1,883,049</b>
<b>LFB staff costs (2020/21)</b>		451,000
<b>LFB staff costs (2021/22)</b>		460,000
<b>TOTAL</b>		<b>£11,959,460</b>

2.9 The capital allocation for these works has been apportioned across 2020/21 and 2021/22, the latest estimates will be included LFB's July 2020 capital programme to ensure a realistic spend for LFB to achieve.

### *Revenue costs*

- 2.10 Report LFC-0354y (Appendix B, Table 3) shows a breakdown of the returned tender costs for 2020/21 revenue redecoration projects (£357,000 in total). The table highlights key financial elements in delivering the works and are based on the returned tender costs.

### *Anticipated timeline*

- 2.11 The intention is for construction of these works to commence between September 2020 and September 2021, with some asset replacement works completing into Q4 2021/22. The anticipated contract duration is between 12 and 20 weeks depending on the size and complexity of each asset replacement project.
- 2.12 The schemes will be developed to RIBA stage 4 (tender analysis) in preparation to award the contracts as soon as the Deputy Mayor's and the Commissioner's approval has been granted. Anticipated start and completion dates are detailed in the appended report to the Commissioner.
- 2.13 Manufacturing and staffing problems in the construction industry are being experienced due to COVID-19. This is having an impact on current projects and will have an unknown knock on effect on future projects. It is not possible to predict how severe the delivery of the projects will be affected in future years.

## **3. Equality comments**

- 3.1 The London Fire Commissioner and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (s149 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:
- (a) eliminate discrimination, harassment and victimisation and other prohibited conduct;
  - (b) advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it; and
  - (c) 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:
- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic;
  - (b) 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; and

- (c) 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:
  - (a) tackle prejudice; and
  - (b) promote understanding.
- 3.8 An Equality Impact Assessment (EIA) has not been undertaken. An EIA was not required at this stage because an EIA will be carried out during the design stage of the projects.
- 3.9 An important aspect of these works is that they will be designed to incorporate measures that include people with protected characteristics, ensuring compliance with the Equality Act 2010, specific improvements being:
  - (a) the replacement passenger lifts will have control buttons mounted at heights in line with the current Equality Act;
  - (b) the accommodation changes at Heston will result in gender neutral toilet and shower facilities plus privacy for all rest rooms. New sockets and light switches will be mounted at heights in line with the current Equality Act;
  - (c) the re-roofing projects will ensure the erected scaffolding will not block any existing exit or access ramps;
  - (d) the window replacement project will have teleflex winders installed for high level opening windows; and
  - (e) the replacement yard gate projects will result in new motorised gates allowing all automated access for all users.
- 3.10 Additionally, appointed contractors will be required to comply with the Equality Act 2010 and associated LFC policies/protocols in respect of any accessibility considerations during or after the works, including the provision of temporary accessibility ingress/egress required during the duration of these works.

#### **4. Other considerations**

##### *Workforce comments*

- 4.1 LFB officers have ensured that the station commander and watches of the fire stations have been kept informed throughout the feasibility consultation process.
- 4.2 The station manager has been consulted on impacts to operational delivery and an agreed outcome on contractor requirements was built into the tender package to ensure minimal impact on operational delivery during the construction phase.
- 4.3 A representative of the FBU will be invited to attend the pre-start site meeting.

## *Sustainability implications*

- 4.4 This report seeks approval for a number of asset replacement works as set out in the Capital Strategy resulting from condition surveys. This includes two heating replacement projects incorporating Combined Heat and Power units and high efficiency condensing boiler installations, a windows replacement project and two roofing installations that will include new insulation. The works will deliver energy efficiency and carbon reductions from buildings, contributing towards the Commissioner's carbon reduction target. Further improvements will be required to achieve the Commissioner's 60% CO<sub>2</sub> reduction target by 2025.
- 4.5 The Mayor's London Environment Strategy also sets out the longer-term target of zero carbon emissions by 2050. Whilst it is uncertain as to what will be the zero emission alternative to natural gas for heating and hot water, the life of the heating asset replacements proposed is within the timeframe of the target, allowing for future zero emission technologies to be introduced by 2050.
- 4.6 All waste arising from works is to be removed by a licensed waste carrier and disposed of at a permitted facility. The contractor is to supply all legally compliant signed waste transfer notes and waste consignment notes to the Commissioner.
- 4.7 There are no adverse environmental implications resulting from these projects.

## **5. Financial comments**

- 5.1 The current approved capital budget allocated to the schemes detailed in report LFC-0354y totals £7,620,000 for 2020/21 and 2021/22 combined. The total estimated capital costs for these schemes is £11,959,460. It is proposed that unallocated LFB Property capital budgets of £4,339,000 for 2022/23 onwards are reprofiled back to 2020/21 and 2021/22 accordingly.
- 5.2 If the revised capital budget is approved and is funded from external borrowing the debt charges will be £894,600 per annum, of which the minimum revenue provision cost is £535,800 and the interest cost is £358,800 based on a rate of 3%. The debt charges for the capital LFB Property budgets are included in future years revenue budgets as part of the Medium-Term Financial Strategy, and form part of the overall LFC budget gap reported in the Budget 2020/21 (LFC-0324y). The treatment of the funding for these schemes will be subject to capital expenditure in future years. Funding for the total capital programme is managed through a mixture of capital receipts and borrowing depending on the timing of capital receipts from asset disposals and the total expenditure incurred.
- 5.3 The changes included in this report will be reflected in the LFB capital budgets in 2020/21 onwards if approved.

## **6. Legal comments**

- 6.1 Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") 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 Commissioner 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 Commissioner 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 Commissioner 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 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) of the FRSA 2004 the Commissioner 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 Commissioner to procure personnel, services and equipment they consider appropriate for purposes incidental or indirectly incidental to their functional purposes.
- 6.5 It is noted that the proposed tenders will be carried out in accordance with the Public Contracts Regulations 2015 and the Brigade’s Code of Practice on Tenders and Contracts.

### **Appendices and supporting papers:**

Report LFC-0354y – Premises Asset Replacement Works for Projects in 2020/21 and 2021/22 – London Fire Brigade Estate



**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 London Fire Commissioner require deferral of the decision until after the cooling off period for the contract award has expired.

Until what date: 1 October 2020

**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.

✓

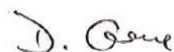
**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 29 June 2020.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**



**Date**

03 July 2020