

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2130

Title: LFEPA – ethical trading

Executive Summary:

On 2 July 2015 the previous Mayor in MD1517 directed the London Fire and Emergency Planning Authority (LFEPA) in its capacity as shareholder of its trading company, London Fire Brigade Enterprises Limited ("the Company"), to commend strongly to the directors of the Company the proposal that, subject to such limits as are placed on the directors' and the Company's powers:

- a. The Company trade with any of the preferred list of countries to trade with as issued by UKTI without amendment, qualification or any other form of variation; and
- b. The Company enter into an appropriate arrangement for the provision of fire consultancy services in support of efforts to build an underground transport system in Qatar and to do so at the first available opportunity.

The current Mayor considers that there may be occasions on which the Company, and LFEPA (as its shareholder) would not want to trade with countries on the UKTI preferred list for ethical reasons which are specific to a particular proposal or set of circumstances. He considers that the Company and LFEPA should consider ethical trading issues in the light of Mayoral policy and views and not be bound by Government decisions. In light of the Mayor's views, this MD proposes that the direction given in MD1517 is revoked.

On 31 March 2018 LFEPA is due to be abolished and on 1 April 2018 a new body, the London Fire Commissioner (LFC), is due to be established under the Mayor's executive oversight. The LFC will be expected to follow relevant Mayoral policy on responsible procurement and ethical trading.

Decision:

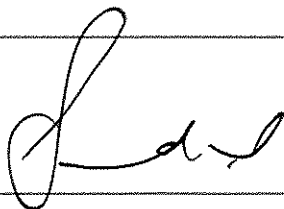
That the Mayor revokes the direction to LFEPA given under MD1517, so as to enable the Company and LFEPA to consider ethical trading issues according to Mayoral policy and views.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

30/5/12

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

Decision required – supporting report

1. LFEPA – ethical trading

Background

- 1.1 At LFEPA's 26 June 2014 meeting, the then London Fire Commissioner (the Commissioner) presented a report setting out the case for establishing an LFEPA trading company. The main purpose of establishing the company was to generate income so as to bolster LFEPA's budget position. A dozen or so other fire and rescue authorities in England have also established a trading company.
- 1.2 LFEPA Members agreed to establish the company and that LFEPA should be the sole shareholder with the directors being the Commissioner and the Director of Finance and Contractual Services. The company was subsequently named London Fire Brigade Enterprises Limited ("the Company").
- 1.3 LFEPA's Director of Finance and Contractual Services presented a paper to LFEPA's 29 January 2015 meeting setting out the company's commercial strategy. The commercial strategy went beyond the guidelines issued by UKTI which sets out a preferred list of countries for UK based organisations to trade with.
- 1.4 One practical consequence of LFEPA Members' adoption of the commercial strategy was that it prevented the Company from providing fire consultancy support services in support of efforts to build an underground transport system in Qatar, given Qatar's questionable human rights record. This was set out in the January 2015 report.
- 1.5 On 2 July 2015 the previous Mayor in MD1517 directed LFEPA in its capacity as shareholder of the Company, to commend strongly to the directors of the Company the proposal that, subject to such limits as are placed on the directors' and the Company's powers:
 - a. The Company trade with any of the preferred list of countries to trade with as issued by UKTI without amendment, qualification or any other form of variation; and
 - b. The Company enter into an appropriate arrangement for the provision of fire consultancy services in support of efforts to build an underground transport system in Qatar and to do so at the first available opportunity.
- 1.6 The basis for the decision taken by the former Mayor in July 2015 is set out in MD1517.

Issues arising

- 1.7 The current Mayor considers that there may be occasions on which the Company and LFEPA (as its shareholder) would not want to trade with countries on the UKTI preferred list for ethical reasons which are specific to a particular proposal or set of circumstances. He considers that the Company and LFEPA should consider ethical trading issues in the light of Mayoral policy and views and not be bound by Government decisions. This MD invites the Mayor to revoke the direction issued by the previous Mayor under MD1517 on the grounds that the Company and LFEPA should consider ethical trading issues according to Mayoral policy.
- 1.8 It is expected that on 31 March 2018, LFEPA will be abolished and on 1 April 2018 a new body, the London Fire Commissioner (LFC), is due to be established under the Mayor's executive oversight. The LFC will be expected to follow relevant Mayoral policy on responsible procurement and ethical trading.
- 1.9 In the intervening period, LFEPA and the Company should determine whether it is appropriate for the Company to enter into trading arrangements with Qatar or any other country. In doing so, they

should be mindful of Mayoral policy and the practice of other bodies in the GLA Group, so as to ensure consistency of approach.

2. Equality comments

- 2.1 Section 149(1) of the Equality Act 2010 (the 2010 Act) provides that, in the exercise of their functions, public authorities must have due regard to the need to:
- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the 2010 Act;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 2.2 The obligation in section 149(1) is placed upon the decision maker. Due regard must be had at the time a particular decision is being considered. The duty is non-delegable and must be exercised with an open mind.
- 2.3 Taking into account the obligations under section 149(1) of the 2010 Act, it is envisaged that the equality implications of this decision will be beneficial as the Company and LFEPA will be able to consider ethical dimensions to its trading activities. LFEPA will need to give ongoing regard to its obligations under the 2010 Act when making decisions about trading.

3. Financial comments

- 3.1 There are no financial issues arising for the GLA directly from this decision. Any financial issues arising for LFEPA will be considered as they arise.

4. Legal comments

- 4.1 MD1517 asked the Mayor under section 155 of the Greater London Authority Act 1999 (GLA Act) to direct LFEPA to exercise its functions as specified and in the terms specified in the Mayoral Decision. Revocation of the direction falls within the GLA's general Mayor's powers under section 155 of the GLA Act.

Appendices:

None.

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:

It would not be appropriate for this decision form to be published during the pre-election period.

Until what date: 9 June 2017.

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:

Tom Middleton has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Martin Clarke has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

David Bellamy has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 30 May 2017.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Clarke

Date

30.5.17

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

30/5/2017