GREATER**LONDON**AUTHORITY

REQUEST FOR DEPUTY MAYOR FOR FIRE & RESILIENCE DECISION – DMFD86

Title: Provision of Estates Management Services

Executive Summary:

This report recommends the Deputy Mayor for Fire and Resilience give approval for the London Fire Commissioner to incur revenue expenditure of up to £600,000 to extend the current estates management contract for up to a two-year period to secure continuity of professional estates management services.

The report sets out the position regarding the provision of estate management consultancy services to the London Fire Commissioner (LFC) currently provided by Dron and Wright. The current contract is due to expire on 30 September 2020. Agreed options are in place to extend this term up to two years until September 2022, as well as flexibility to enact a break clause, at the LFC's sole discretion, at any time upon three months' notice.

During the two-year time period LFB Property intends to engage with Transport for London (TfL) in order to benefit from their framework on property consultancy available to all GLA bodies. Implementing the recommendations outlined in this paper will ensure that LFB Property is resourced appropriately in order to meet its collaboration obligations, deliver value for money, and align with LFC's strategic objective to constantly improve the effectiveness of services.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the London Fire Commissioner to seek prior consent before *'[a] commitment to expenditure (capital or revenue) of £150,000 or above'*. The Direction also provides the Deputy Mayor with the authority to *'give or waive any approval or consent required by [the] Direction'*.

Decision:

The Deputy Mayor for Fire and Resilience consents to revenue expenditure of up to £600,000 by the London Fire Commissioner to extend the current estates management contract with Dron and Wright for up to a two year period to secure continuity of professional estates management services.

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:**
	19 October 2020

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

Decision required – supporting report

1. Introduction and background

1.1. Report LFC-0377y explains that in January 2017 the London Fire and Emergency Planning Authority (LFEPA) approved the appointment of consultants Dron and Wright for the provision of Estate Management Services and entered into a contract for 3.5 years (report FEP 2688). Dron and Wright are a well-established commercial property partnership with experience od advising owners and occupiers in all matters relating to their commercial property occupation.

1.2. Provision was made within with the agreed recommendation to extend this term up to a further two years and an option to enact a break clause, at the LFC's sole discretion, at any time during the term of the contract with three months' notice. The appointment was agreed following an extensive OJEU procurement process in compliance with Public Contracts Regulations (2015).

1.3. The current contract is structured on the provision of specific services with a combined schedule of fixed fees (where the work programme is known and planned) and hourly rates as appropriate (un-programmed, short notice requirements) to be undertaken by a range of professional, competent roles within Dron and Wright.

1.4. The annual cost of estate management services incurred by the revenue budget over the three financial years since April 2017 has been as follows, totalling £878,000:

- i) April 2017 to March 2018 - £281,000
- ii) April 2018 to March 2019 - £ 290,000
- iii) April 2019 to March 2020 - £307,000

1.5. All figures include the annual index uplift permitted in the contract. These figures exclude the additional support commissioned on high profile capital projects.

1.6. The annual cost of estate management services incurred to support redevelopment and capital schemes over the three financial years since April 2017 has been as follows, totalling £627,000:

- i) April 2017 to March 2018 - £208,000
- ii) April 2018 to March 2019 - £ 230,000
- iii) April 2019 to March 2020 - £189,000

1.7. The value of the estate management services contract is dependent upon the likely instructions given to Dron and Wright in any one year and consultancy services within the scope of the contract are funded from the approved revenue consultancy budget. This contract is let on the basis that the LFC is not obliged, nor does it guarantee to provide any, or minimum works to any of the work streams within the scope of the Property and Estates Management Services contract for the duration of the contract.

2. Objectives and expected outcomes

2.1. This report recommends extending the provisions of the current Estates Management Services contract with Dron and Wright for a period of up to two years from 1 October 2020 with the option to enact a break clause, at the LFC's sole discretion, at three months' notice to take advantage of collaboration opportunities, to be funded from the existing Property budgets. The estimated revenue budget is £300,000 per annum, based on previous years. Capital cost incurred with this contract is included in the individual project budgets.

Collaboration and transformation

2.2. Historically, LFC estate management services have been undertaken by small and medium sized enterprises (SMEs) where resources providing this service would become embedded within the organisation. This approach was adopted as frameworks available at the time of awarding contract were primarily designed for the individual call off, of each estates' management function. In addition, larger enterprise firms were considered a barrier to SMEs competing for this work.

2.3. However, under the Policing and Crime Act (2017), the London Fire Brigade (LFB) has a duty to consider collaboration opportunities (with police and ambulance services) and, where it is in the interests of efficiency or effectiveness, to put these collaboration opportunities into practice. Also, the representation of LFB officers on the GLA Estates and Facilities Management Collaboration Working Group has enabled a supportive network and understanding of the collaboration benefits across a range of estates matters as part of the GLA family.

2.4. It is the LFB's intention to engage in future collaboration by procuring estates management services as part of the TfL property consultancy framework available to the GLA Group functional bodies. This commitment will be delivered as an outcome of implementing the planned target operating model associated with the transformation of Property Services expected during the autumn of 2020.

3. Equality comments

3.1. The London Fire Commissioner and decision takers are required to have due regard to the Public Sector Equality Duty (s149 of the Equality Act 2010) when exercising our functions and taking decisions.

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 us, in the exercise of all LFC functions (i.e. everything the LFC does), 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. This report proposes extending an existing contract on which no adverse equality implications were identified at the time of the contract. There are therefore no disproportionate equality impacts likely as a result of the decision to extend this contract.

4. Other considerations

Sustainability

4.1. The incumbent supplier is a small to medium sized enterprise (SME). Should the recommendation be agreed this will support LFB's commitment to SMEs as set out in the GLA Group Responsible Procurement Policy and performance against the corporate indicator for SME spend.

5. Financial comments

5.1. This report recommends that expenditure is agreed to extend the current Estates Management Services contract for a period of 2 years, with estimated revenue expenditure of £300,000 per annum, based on previous years. Capital costs incurred from this contract are included in the individual project budgets and are therefore not included within this figure. The report notes that total revenue expenditure of £878,000 and capital expenditure of £627,000 has been incurred under this contract over the last three years. These costs have, and any costs incurred under the extension will be contained within the existing revenue and capital budgets. The revenue costs will be met through the existing Consultants budget which for 2020/21 is £2.8m, and of this £300k is allocated to Estate Management Services.

5.2. The report goes on to note that collaborative arrangements for the provision of this work from October 2022 are also being investigated. Any savings achieved as part of this work will be considered as part of the budget process for future years.

6. Legal comments

6.1. Under LFEPA, the previous Authority agreed in FEP 2688 to permit the appointment of Dron and Wright on a three-year term with the option to extend, with break rights, for a further two years.

6.2. Pursuant to 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.

6.3. 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").

6.4. 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…".

6.5. The Deputy Mayor's approval is accordingly required for the Commissioner to extend the contract term of the Dron and Wright appointment.

6.6. The Public Contracts Regulations 2015 were fully complied with in the original OJEU procurement exercise and the Commissioner's duties to consider collaboration under the Policing and Crime Act 2017 will be fully explored in any subsequent arrangements for estates management services.

Appendices and supporting papers:

Appendix 1 - LFC-0377y Provision of Estates Management Services

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 the Deputy Mayor's decision remain unpublished until the contract is let and any cooling off period has expired.

Until what date:1 January 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 19 October 2020.	

EXECUTIVE DIRECTOR, RESOURCES:
I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature	**Date**
	29 October 2020