

REQUEST FOR DEPUTY MAYOR FOR FIRE & RESILIENCE DECISION – DMFD91

Title: LFB Ladder Life Replacement Programme 2020-2022

Executive Summary:

This report recommends the Deputy Mayor for Fire and Resilience give approval for the London Fire Commissioner (LFC) to incur capital expenditure up to the value of £704,000 for the replacement ladder projects over the period 2020/21 to 2022/23.

The London Fire Brigade's (LFB) ladders have a 15-year life span and are due for replacement within the terms of the Babcock Emergency Services Ltd Vehicles and Equipment contract. There are four different types of ladders in service that are included in the required 2020-22 life replacement programme. In total 300 ladders are due for replacement. Ladders are an integral and critical part of the LFB's operational response and are vital to the service the LFB provides London.

Report LFC-0416y outlines the different ladders requiring replacement and the predicted costs associated with the procurement. The report also explains that this project will be managed as a single tender process as Supply Plus Ltd, the ladder manufacturer, is the principal supplier of fire service ladders in the UK. The report further explains how value for money is secured, by Babcock Emergency Services, the LFB's equipment procurer, in a situation where there is a single source.

Decision:

The Deputy Mayor for Fire and Resilience authorises the London Fire Commissioner to incur capital expenditure up to the value of £704,000 for the replacement ladder projects during 2020/21 to 2022/23.

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:

2 December 2020

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

Decision required – supporting report

1. Introduction and background

- 1.1 Babcock Emergency Services Ltd are London Fire Brigade's (LFB) maintenance and service provider; they manage LFB's Vehicles and Equipment contract on behalf of the LFB. This contract was awarded in 2014 and runs until 2035. As part of this contract Babcock Emergency Services must replace, service and repair all items listed within the Vehicle and Equipment contract. All vehicles and equipment have a life schedule, at the end of which they must be replaced. Extensions to the life of vehicles and equipment can be agreed by the LFB Engineering Fleet Manager if it is possible for these vehicles or equipment to be safely maintained.
- 1.2 Report LFC-0461y explains that the LFB's ladders are replaced on a staggered, rolling life replacement cycle as the most efficient and effective way of ensuring they are replaced in a manageable way. The previous ladder replacement programme ran from 2017-2019 and consisted of 120 ladder replacements for the 13.5 Metre Ladder, Short Extension Ladder, Folding Roof Ladder and the 9 Metre 2 Section Ladder.
- 13.5 Metre Ladders – The 13.5 Metre Ladder is the main rescue ladder used in the London Fire Brigade and is carried on all Pump Ladder Appliances. There are 136 13.5 Metre Ladders maintained under the Babcock Emergency Services Vehicle and Equipment contract and 91 of them require life replacements between 2020 and 2022.
 - Folding Roof Ladders – The Folding Roof Ladder is used for working on pitched/sloping roofs and is carried on all Pumping Appliances and Pump Ladder Appliances. There are 183 Folding Roof Ladders maintained under the Babcock Emergency Services Vehicles and Equipment contract and 71 require life replacement between 2020 and 2022.
 - Short Extension Ladders – The Short Extension Ladder is a general purpose ladder, and can be separated into 3 pieces and used for access and tasks such as a frame for a dam, bridging etc. It is carried on all Pump Ladder Appliances and Pumping Appliances. There are 185 Short Extension Ladders maintained under the Babcock Emergency Services Vehicles and Equipment contract and 31 require life replacement between 2020 and 2022.
 - 9 Metre 2 Section Ladders – The 9 Metre 2 Section Ladder is a shorter rescue ladder than the 13.5 Metre Ladder and can be pitched with 3 Firefighters rather than 4. It is carried on all Pumping Appliances and Pump Ladder Appliances at 1 appliance stations. There are 136 9 Metre 2 Section Ladders maintained under the Babcock Emergency Services Vehicles and Equipment contract and 107 require life replacement between 2020 and 2022.

2. Objectives and expected outcomes

- 2.1 Payments will be made by LFB to Babcock Emergency Services Ltd upon delivery of the assets and provision of adequate delivery documentation in accordance with the Vehicles and Equipment contract. Although some of the ladders detailed below are due replacement in 2020, COVID-19 and associated factory lockdowns will delay delivery into 2021 for the majority of the ladders. Steps are in place to ensure that the ladders in question are still fit for purpose with enhanced maintenance checks.

Table 1 – Cost Summary

Description	2020/21 Units	2021/22 Units	2022/23 Units	Total Units	2020/21 Estimated cost £'000	2021/22 Estimated cost £'000	2022/23 Estimated cost £'000	Total £'000
13.5m ladder	60	31	0	91	245	126	-	371
Folding Roof Ladder	0	16	55	71	-	12	41	53
Short Extension Ladder	7	13	11	31	5	8	7	20
9m 2 Section Ladder	60	46	1	107	110	84	2	196
Totals	191	42	67	300	360	230	50	640

- 2.2 A 10% contingency to allow for price risk due to the current economic climate will be applied to the total of £640,000. As such an approval to spend up to £704,000 has been requested.

Tendering process

- 2.3 This project will be managed as a single tender process by Babcock Emergency Services Ltd who will engage with Supply Plus Ltd who are the only suppliers of BS EN 1147 certified Fire and Rescue Service ladders in the UK. Supply Plus Ltd provide ladders to all Fire Rescue Services across the UK. The associated costs with moving to a non-UK supplier would not represent value for money because of the cost implication to changing LFB operational training requirements, the need for additional parts stock to be held by Babcock Emergency Services Ltd and modifications that would be required to the ladder gantries on all pumping appliances.
- 2.4 Following a series of buy outs and other manufacturers choosing to leave the Fire and Rescue ladder market, Supply Plus Ltd find themselves in a monopolistic supply position. In order to ensure Value for Money has been demonstrated in this single source situation by the LFB equipment procurer, Babcock Emergency Services Ltd have reviewed the quotes received from Supply Plus Ltd, these quotes are benchmarked against previous ladder actual cost and only allow for appropriate index linked increases. Babcock has performed its value for money assessment of the proposed single source award in accordance with its obligations under the LFB 2014 Vehicles and Equipment contract. This approach ensures transparency in relation to any increase in Supply Plus Ltd prices, and that Supply Plus Ltd are accountable for their annual cost increases.

Training

- 2.5 This is a life replacement of an existing piece of equipment, for which the LFB has in place an extensive training program.

Lead times

- 2.6 Supply Plus Ltd have advised that they could deliver the 2020 batch on a monthly basis starting from January 2021. Please note that the below delivery schedule is illustrative as it is based on Supply Plus Ltd receiving a purchase order by December 2020, but would be a rolling programme dependent on when the order is agreed.

Table 2 – Delivery Schedules

Delivery Schedule for financial year 2020/2021				
Item	Jan-21	Feb-21	Mar-21	Total
13.5m ladder	24	24	12	60
Short Extension Ladder	7			7
9m 2 Section Ladder	24	24	12	60
				127

Delivery Schedule for financial year 2021/2022				
Item	Apr 21	May 21	June 21	Total
13.5 ladder	11	10	10	31
Folding Roof Ladder		16		16
Short Extension Ladder		13		13
9m 2 Section Ladder	12	22	12	46
				106

Delivery Schedule for financial year 2022/2023			
Item	May- 22	Jun-22	Total
Folding Roof Ladder	30	25	55
Short Extension Ladder	11		11
9m 2 Section Ladder	1		1
			67

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.
 - 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;
 - 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, the need to—
- a) tackle prejudice; and
 - b) promote understanding.
- 3.8. An Equality Impact Assessment (EIA) was undertaken by Babcock Emergency Services. The impact assessment found that the proposals in this report will not have any further equalities impacts on persons with a protected characteristic. In order to meet the LFB's inclusion strategy the Output Based Specification (OBS) included a requirement to, where possible, reduce the weight and manual handling challenges associated with the ladders to make them as accessible to all sections of the community, including those with protected characteristics.
- 3.9. In addition, the Babcock Emergency Services contract requires Babcock Emergency Services and any sub-contractor they may engage, to conform to equality legislation and LFB equalities protocol. Babcock Emergency Services also assess all of their providers approach to equality and ensure they are satisfied that they meet appropriate protocols, prior to them listing those companies as approved providers. Therefore, it is considered that there is an appropriate approach to equalities right through the supply chain in respect of this procurement.

4. Other considerations

Sustainability

- 4.1. The existing ladders will be recycled by Babcock Emergency Services Ltd in accordance with the provisions of the Vehicle and Equipment Contract. The disposal process will fulfil LFB obligations under The Environmental Protection (Duty of Care) Regulations 1991 and if the equipment items are to be scrapped, or broken up for parts, the vehicles and equipment contractor Babcock Emergency Services Ltd will provide full details relating to the disposal of the component parts and will ensure that the London Fire Commissioner's obligations are documented and adhered to.
- 4.2. Supply Plus Ltd have a Sustainability Coordinator in post who is responsible for ensuring ongoing environmental performance, identification of environmental risks and implementing environmental and social sustainability measures. Furthermore, their products are made largely from re-cycled materials.
- 4.3. In line with the GLA Group's Responsible Procurement Policy, Supply Plus Ltd procure responsibly and have policies relating to anti-slavery, sustainability, anti-corruption in place and are set up with multiple suppliers for business continuity purposes.

5. Financial comments

- 5.1 The cost of the ladder replacements will be charged to capital. The total approved capital budget for ladder replacements included in the current capital programme is £640,000.
- 5.2 The estimated costs of the ladder replacements is £640,000 with an additional 10% contingency of £64,000 which has been added to take account of price risk due to the economic climate, however once agreement has been received, LFB will place the order for the ladders due for delivery in financial year 20/21, and with that written agreement Supply+ (the supplier) will hold their prices for the years 2021/22 and 2022/23.
- 5.3 The addition of the 10% contingency, at £64,000, provides a total estimated cost of up to £704,000. This is an increase of £64,000 above the current budgeted costs, if the contingency is required, it will be funded from the capital receipts generated from vehicle disposals. There isn't currently a budget for the vehicle disposal capital receipts, however it is forecasted that in the financial year 20/21 they will be in excess of £64,000.
- 5.4 The cost of the works included in the current budget (£640,000) will incur capital financing costs of £62,000: £43,000 for the provision to repay debt (minimum revenue provision), based on a 15 year asset life, and £19,000 for interest per annum, at a rate of 3%. The capital financing costs for the current capital budget of £640,000 have already been included in the approved revenue budgets.

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. Section 1 of the Fire and Rescue Services Act (FRSA) 2004 states that the Commissioner is the fire and rescue authority for Greater London.

- 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. Under section 7 of the Fire and Rescue Services Act 2004 the Commissioner has the power to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for those functions. Securing the equipment as set out in this report is consistent with the Commissioner's duties and powers as set out above.

Appendices and supporting papers:

LFC-0416y– LFB Ladder Life Replacement Programme 2020-2022

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 February 2021

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

Soeli Dayus 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.

✓

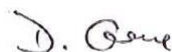
Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 30 November 2020.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

2 December 2020