

Report title

8 Albert Embankment – RRT and Lambeth Decant Works

Report to	Date
Commissioner's Board	18 December 2019
Deputy Mayor's Fire and Resilience Board	21 January 2020
Commissioner's Board	

Report by	Report number
Assistant Director, Property	LFC-0282y

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Summary

This report seeks approval to complete enabling works at Clapham and Chelsea fire stations in preparation for the build of the new Lambeth fire station. These works consist of upgrading the existing facilities in advance of the personnel and appliances from Lambeth fire station and the Rapid Response Team (RRT) being decanted to Clapham and Chelsea fire stations. The report includes the proposed solution for RRT to reoccupy the redeveloped Lambeth fire station as permanent location.

Recommended decision(s)

That the London Fire Commissioner

1. Provides authority to the Head of Property (subject to satisfaction of pre-commencement conditions on planning), to complete the enabling works at Clapham and Chelsea fire stations, based on the pre-tender estimate of £930k and within a 15 % tolerance of the submitted pre-tender estimate price.
2. Approves a capital budget of £930k for the works at Clapham and Chelsea Fire Stations, with delegated authority to the Director of Corporate Services to increase the budget, within a tolerance of 15%, up to £1.07m.
3. Approves a revenue budget of £540k over 5 years for the whole life cost of the lease for additional storage and operational parking required to optimise the utilisation of Lambeth Fire and River stations and RRT. This facility will also support the decant programme outlined below.
4. Approves delegated Authority to the Director of Corporate Services to enter into the above mentioned lease.
5. Delegates Procurement Authority, as detailed in paragraph 26 to the Assistant Director Technical and Commercial to procure the works.

Background

1. Lambeth fire station is located within the former London Fire Brigade Headquarters building at 8 Albert Embankment. It plays a critical role in delivering emergency response and prevention activities for the LB Lambeth, across the river in Whitehall and Victoria as well as neighbouring boroughs. Its location is also strategic to ensure a consistent and fast response time to important areas in the Government Security Zone (Westminster area).
2. Lambeth fire station has two fire engines and is one of four fire stations within LB Lambeth and is one of LFB's busiest stations. In addition, Lambeth fire station is strategically located to be able to respond to incidents at key transport locations including Heathrow airport.
3. Lambeth is a priority fire station within the LFC estate that is affected by the challenges of its age, listed building status and difficulties of maintaining operations during development works (particularly in such an important location). It requires significant modernisation to ensure compliance with current operational requirements of LFB.
4. The fire station has five usable appliance bays and supporting operational functions on the ground floor with amenity, administration and training facilities on the first and second floors. The upper floors above the fire station were built as firefighter residential quarters. In later years these were converted to office accommodation and became LFC headquarters. These floors have been vacant since February 2008 when LFC moved to a new headquarters at 169 Union Street in Southwark. The headquarters staff moved because the office accommodation was antiquated, not suitable for modern day office usage and technology, and not energy efficient.
5. As part of the development of the Albert Embankment site a new fire station is proposed providing a 21st century fire station, complemented by the provision of a new LFB museum. A new station will also meet the London Safety Plan 2017 commitment to 'open up fire stations' at the heart of their communities, ensuring they are accessible community hubs to address risk, prevention and response priorities. To make this possible it will be necessary for the fire station to close for part of the period of construction. LFC have reached an agreement with the developer that the fire station would close for a maximum period of 18 months for the construction to be completed.
6. LFB's Operations Statement, part of the Development Application for 8 Albert Embankment, assures plans are in place to ensure fire cover is maintained at a good level during this time through temporarily relocating staff, vehicles, and specialist equipment to other local fire stations. LFB has recent experience of maintaining fire cover in this way from the redevelopment of nine new fire stations between 2013 and 2016 as part of the LFB PFI Property Project.
7. LFC are planning to temporarily relocate Lambeth fire station's pump ladder and pumping appliance (fire engines) to Chelsea and Clapham fire stations. Risk modelling work carried out by ORH (consultants to the Brigade) in October 2015 and reviewed early 2019 to assure currency, has indicated that these are the optimal locations to maintain fire cover across London and locally.
8. The modelling showed that during the relocation there is expected to be a three second increase in the London-wide average attendance time for the first fire engine and no impact on the London-wide attendance time for the second fire engine. Table 1 shows the predicted impact on average attendance time in Lambeth and other impacted boroughs – in all of these boroughs average attendance times remain well within the six and eight minute targets.

Table 1: current average fire and second fire engine attendance times alongside modelled impact of temporary relocation from Lambeth to Clapham and Chelsea fire stations

First appliance

Borough	Actual performance (mm:ss)			Modelled impact (mm:ss)
	2014/15	2015/16	2016/17	
London-wide	05:27	05:32	05:22	+00:03
Kensington and Chelsea	04:40	04:44	04:33	-00:10
Lambeth	04:40	04:51	04:46	+00:37
Southwark	05:27	05:31	05:08	+00:07
Wandsworth	05:09	05:07	04:59	-00:01
Westminster	05:18	05:25	05:19	+00:19

Second appliance

Borough	Actual performance (mm:ss)			Modelled impact (mm:ss)
	2014/15	2015/16	2016/17	
London-wide	06:48	06:51	06:44	00:00
Kensington and Chelsea	06:13	06:11	06:12	-00:52
Lambeth	05:30	05:44	05:40	+00:17
Southwark	06:41	06:47	06:26	+00:09
Wandsworth	06:39	06:33	06:31	-00:07
Westminster	05:56	06:05	06:05	+00:18

9. As set out above, this temporary disruption will be minimised as much as possible and is necessary to reap the longer term benefits this development will bring to the operations of the LFB and making London a safer city.
10. LFB's Chemical, Biological, Radiological and Nuclear Rapid Response Team (CBRN RRT) is based at Lambeth fire station in separate accommodation and under separate line management. The RRT are an integral part of London and the UK's response to a malicious CBRN event and form part of a FRS National Resilience (NR) requirement determined by HM Government Home Office to meet identified risks. The RRT have a self-imposed London requirement to respond within 15 minutes to the Government Security Zone (GSZ) as agreed with the Home Office.
11. To enable a decant of the RRT, several locations were reviewed to accommodate the RRT's operational requirements including stations such as Shoreditch, Chelsea, Euston and New Cross. Of all locations reviewed, the optimal location of Clapham fire station was highlighted as the best option to maintain the RRT's current response and proximity to the GSZ, as well as having capacity to meet their accommodation needs.
12. To enable Chelsea and Clapham fire stations to accommodate the additional firefighters from Lambeth fire station, the RRT and associated administrative functions, the existing facilities require upgrading and reconfiguration of dormitory areas.
13. Property Services have visited these sites and identified that the following works are required:

Clapham

- Procurement of additional furniture.
- Existing female dormitory becomes leading firefighter dormitory.
- Leading firefighter dormitory becomes female dormitory.

- Refurbishment of male firefighter's dormitory.
- Refurbishment of male shower room and toilets.
- Refurbishment of Station Officer shower room.
- Refurbishment of Station Officer Dormitory.
- New station office for Lambeth on the 3rd floor.
- Adaptations to 3rd floor to support RRT decant.
- Revised layout of yard for parking and training capabilities.

Chelsea

- Procurement of additional furniture.
- 1st floor Station Officer Room next to Station Commander's office to become the station office for Lambeth.
- Existing leading firefighter room to become Station Officer Room.
- Refurbishment of existing female dormitory.
- Refurbishment of Station Officer's shower room.
- Refurbishment of firefighters shower room, adjacent single shower room and personal drying room.
- Additional sockets to mess area.
- PPE lockers in appliance bay – relocate PPE lockers from Lambeth and install on plinth, allow plinth for existing Chelsea lockers.
- New exit button to rear yard gates.

Proposed Decant Refurbishment – Outline Benefits

14. The main benefit of undertaking these works at both Clapham and Chelsea will be to facilitate a timely decant of 8 Albert Embankment, therefore providing the developer with vacant possession by the current programme date of January 2021.
15. Refurbishment of washing/toilet facilities at both Chelsea and Clapham will be beneficial to both decanted and host station based crews. Refurbishment of all dormitories and adjustments to increase capacity for the duration of the decant period will also be delivered.
16. As well as supporting the 18-month decant period, the improved working environment delivered will be of longer-term benefit to the host station staff when Lambeth and RRT crews re-occupy the new station at Lambeth.

Proposed lease - projected revenue costs

17. To optimise the return to Lambeth fire station by Lambeth crews and RRT, additional storage is required during the decant phase of the project, and additional operational vehicle parking is needed on reoccupation.
18. The indicative cost of leasing parking behind the fire station is circa £540k which would provide 10 -15 spaces dependent on vehicle size. This is based on a five year term certain at rent of £26 sqft (total £80k pa). The service charge and rates have been calculated at 30% of rent. Inflation of 1.18% has been applied to all costs. The opportunity for a longer solution after 5 years may materialise subject to further discussion regarding an adjacent development, otherwise the requirement will remain and a new parking lease will be required.

Project Management and Procurement

19. Consultants from the Multi-Disciplinary Framework agreement, Fulkers Bailey Russell have been appointed to undertake a feasibility study, design, cost and project management services to complete enabling works at Clapham and Chelsea fire stations in preparation for the hosting of Lambeth fire station and RRT. Subject to agreement of these recommendations, Fulkers Bailey Russell Consultancy will be instructed to ensure the works are delivered in accordance with the specification standard through to handover and post completion.
20. LFB project management oversight will be led by a client side project manager, who will remain responsible for liaising with the consultants via regular progress meetings and overseeing the tender process, construction, commissioning and handover of the project.
21. Feasibility outcomes have been designed in consultation with internal stakeholders including respective Station Commanders (SC), station-based crews and RRT management. The Brigade's project manager will ensure that pre-start and hand over meetings, as well as periodic and *ad hoc* site meetings with consultants and contractors are held to monitor progress of the works.
22. A project board chaired by the LFB's client-side project manager will be established to monitor progress against key project milestones including the decant procedure and the project budget. Pending agreement, corporate project status will be assigned to the project by the Programme Management Office, enabling monitoring and scrutiny in line with LFC governance requirements.
23. The proposed procurement route for the construction element will be to complete an open, competitive tender. The works will be tendered in accordance with the Commissioner's Code of Practice on Tenders and Contracts. Fulkers Bailey Russell will recommend the appointment of the most economically advantageous tenderer to carry out the works complying with LFC Procurement Standing Orders. The Lambeth decant works are below the OJEU works threshold of £4,733,252 negating the need to conduct an OJEU procurement process.
24. The selection of the successful tenderer will be based on a process that evaluates both the cost and quality of contractor's tenders. The ratio to be applied to this process will be 60% cost evaluation and 40% quality evaluation. This is a process and ratio suitable for building contracts to ensure that best value is achieved through the careful assessment not only of tender cost, but also the contractors financial and insurance status and their services in relation to use of resources, skills and experience, quality control, health and safety and environmental processes.
25. As part of the LFC's statutory Duty to collaborate under the Police and Crime Act 2017 and the London Safety Plan 2017 principle of collaboration, heads of estates for blue light services liaise regularly with a remit to review opportunities for improved efficiency and effectiveness across respective estates. The recommended enabling works would not present an opportunity to deliver a collaborative co-location outcome amongst blue light partners, however meeting facility will enable RRT to continue collaborative forums as required.
26. As part of standing orders the Assistant Director Technical and Commercial has authority to approve procurement initiation, accept a tender, award and enter into a contract in accordance with existing standing orders. Procurement authority also extends to any actions required under any existing contracts (e.g. deductions for unsatisfactory performance or giving notice and termination of contracts), except where actions relating to contract performance are in accordance with a formula or process included within the contract.

Projected Capital Costs

27. The total estimated cost arising from the feasibility exercise is £930k including all consultancy fees, statutory consent fees, construction costs, and furniture and staff costs. As the costs at this stage are based on pre tender estimates and firm quotes for the construction element will not be received until

completion of RIBA stage 4, it is recommended that a tolerance of 15% is allocated to this budget. The identified tolerance will enable the project to overcome uplifts in cost experienced in the tender process, as well as any unforeseen risks or delays to the project due to market fluctuations and any unforeseen impacts of Brexit and associated supply chain elements.

28. Should the total costs provided in Table 1 exceed an agreed tolerance of 15%, a revalue engineering exercise would be applied to establish if the cost could be reduced within the tolerance approved. If this exercise was unsuccessful the works will be subject to further approval.

Table 1 – Projected pre-tender capital costs

Project Costs		
Description	Cost (£k)	Description
Feasibility	30	Feasibility costs, plus allowance for additional works for RRT.
Construction fees and costs	510	Construction costs, contractor's preliminaries, statutory fees.
Furniture provision	50	Procurement of additional furniture
Provisional Sum	150	Allowance for unforeseen works – asbestos, additional electrical and mechanical works and electric vehicle charge points.
Contingency (10%)	71	10% to allow for unforeseen cost on construction, furniture and provisional sum.
Consultancy Fees (9.5%)	75	Full design costs to RIBA Stage 7
LFB staff costs (5.6%)	44	7% of the original pre-tender estimate of the total sum of building works
Total	£930	

Outline Programme

29. The following key milestones are based on receiving LFC agreement on recommendations by the end of February 2020. Whilst a tender process can take place, contract award cannot be achieved until all of the pre commencement conditions of the Development Application for 8 Albert Embankment have been satisfied and the contractual agreement status becomes unconditional. Dates provided are indicative at this point as the timeline will be subject to review throughout the RIBA stages as well as progress of the Development Planning Application and the associated planning processes.
30. Clapham and Chelsea fire stations will remain fully operational throughout the life of hosting crews from Lambeth fire station and RRT. There will be a reduction in usage of both rear yards throughout the

construction phase to provide required contractor welfare facilities and for the storage of materials and equipment. Effective relationships will be formed with respective Station Commanders, RRT Group Commanders, affected station-based crews and LFB client-side project manager, to ensure minimal disruption throughout the duration of the project.

Table 2 – Programme Milestones

28/02/2020	LFC/Deputy Mayor decision expected to secure capital funding
13/03/2020	Full design and tender pack uploaded onto Blue Light
13/04/2020	Tender period ends
24/04/2020	Tender evaluation complete
04/05/2020	Contract Award (subject to unconditional status being achieved)
26/05/2020	12-week total construction period commences (concurrent activity at Clapham and Chelsea stations)
18/08/2020	Practical Completion and Handover
24/08/2020	Chelsea and Clapham sites ready for Lambeth and RRT decant

Risk and Dependencies

31. A key dependency is the satisfaction of pre commencement conditions following the successful determination of the Development Planning Application. At this stage an appeal could be launched by local residents groups. The procurement of enabling works will only proceed once all planning processes have been successfully cleared.
32. A major risk is that sufficient time is provided within the developer's programme, (which is currently estimated), to deliver this programme of enablement works and provide vacant possession of 8 Albert Embankment within the current timescale of January 2021. An escalated developer programme, or a delay in proceeding with the enablement works could result in LFC's inability to provide vacant possession of 8 Albert Embankment.
33. Should this materialise, LFC would be in breach of contract and subject to severe financial penalties, as well as jeopardising LFC's good working relationship with the developer. Any financial penalties are calculated on final agreed purchase price as part of the completion conditions. An estimated purchase price of £50m would incur daily interest penalties of £6k. This risk will be closely managed by Property department in conjunction with LFC's Estate Management Consultants leading on developer liaison.
34. The costs and programme of works are based on a decant for Lambeth fire station and the RRT. The proposed permanent location for the RRT is to return to the re-provided Lambeth fire station within the fire station envelope. Operational officers have agreed the accommodation design could support both station and RRT establishments. This option has previously not been considered feasible due to operational vehicle parking constraints at the newly provided Lambeth fire station. The proposed resolution is to lease a local railway arch provision which is costed in the revenue section of this paper. This may require discussion with Lambeth council as the additional parking is required due to the additional uses in the fire station envelope.

35. Several alternative options for RRT accommodation were explored as outlined below:

- Alternative LFB premises: Chelsea and Clapham fire stations have capacity, however both were considered to be too great a distance in relation to the Government Secure Zone. New Cross and Shoreditch stations were deemed to have insufficient capacity based on current operational requirements and proposed delivery of community facilities.
- Alternative new location to be provided by U&I or another London developer: U&I were approached on a speculative basis as a prominent developer in the target area, however no suitable opportunities were available. Informal advice from a leading London commercial property agency confirmed they were not aware of suitable opportunities in the time frame or location required in part because the LFB operational parking requirement would be hard to satisfy in central London.
- GLA group: the land lists from the Transport for London (TfL), Met Police, London Ambulance Service and the Greater London Authority were requested plus Network Rail to consider whether they have any suitable sites. TfL and Network Rail have confirmed they do not have a suitable full relocation opportunity for RRT at this time in part due to the use patterns of LFB for the required premises that does not align to industrial premises.

Finance comments

36. The capital costs of £930k will be met from Property Minor Works capital budget (£2,500k) for 2020/21 which has been included in the budget submission to the Mayor as part of the 2020/21 capital budgets. The additional tolerance of up to 15% (£140k) can also be met from the Property Minor Works budget however, the increased allocation would be subject to the approval by the Director of Corporate Services and would reduce the budget available for other Minor Works schemes for 2020/21.
37. There is a financial risk if the decant of 8 Albert Embankment has not been completed by January 2021 where the LFC will incur daily interest charges of approximately £6k. Monitoring of and completion of the required works is therefore critical to ensure the decant deadline is met.
38. If the costs of the planned works of £930k is funded from borrowing and based on a useful life of 15 years, the annual revenue cost would be £90k, being £62k for the Minimum Revenue Provision for the repayment of borrowing and £28k in interest repayments at a projected rate of 3%.
39. This report also recommends that a lease is entered into for additional storage and operational parking on a 5 year term certain at £104k per annum. The financial impact of this will be reported in the final 2020/21 budget report.

Workforce comments

40. The workforce implications of the decant works will result in the both Clapham and Chelsea hosting an additional appliance and more operational staff. Increased use of the station facilities (Gym, mess room & canteen) will require good working relationships throughout the planned decant period, which is limited to 18 months within the Development Planning Application.
41. Site meetings in 2019 with officers from Property department, working alongside respective Station Commanders for Lambeth, Clapham and Chelsea fire stations as well as RRT Group Commanders, agreed design proposals for the enabling works in preparation for hosting Lambeth fire station and RRT crews. Since then the project manager from Property department has continued to take opportunities to keep the Station Commander updated on progress.
42. The Fire Brigades Union are represented on all future Major Works Capital Boards. Wider representative body consultation will be sought as part of the LFC governance process and representation will be invited at project board level during delivery phase.

Legal comments

43. 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.
44. 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").
45. 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..."
46. 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"). Section 7 (2)(a) 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.
47. General Counsel also notes that the proposed service will be procured in compliance with the Public Contracts Regulations 2015 and the Commissioner's Scheme of Governance.

Sustainability implications

48. The project will be administered in alignment with the authority's sustainability policies. Details on the scope of how this project impacts on those policies is located within the SDIA (Sustainable Development Impact Assessment) completed for these works.
49. A registration with Construction Line (a pre-qualification scheme for UK based construction companies) would be a requirement for all tendering companies which includes checks to ensure all companies are compliant with the Modern Slavery Act. The minimum requirements set by Construction Line are:
 - All UK workers receive minimum wage and robust immigration checks. Further checks have also been made to ensure that the preferred bidder pays the London Living Wage and appropriate conditions will be included in the contract in line with LFC policy.
 - Map supply chains to identify where the highest risk and exposure to modern slavery exists; undertake site inspections; provide training to local employees and local suppliers and other initiatives to manage modern slavery risks
50. The open procurement process via Blue Light will provide a level platform for all tenderers, however the value of the works is likely to be more attractive to small/medium sized enterprises (SMEs) and the preferred bidder will be ideally a SME.
51. Pending agreement of this report's recommendations and establishment of the project board, sustainability expertise will be sought to advice on the sustainable objectives of this project. This will include recycling/reuse/disposal of existing and procured furniture involved in supporting the decant solution and handing over a vacant Lambeth fire station to LFC's development partner.

Equalities implications

52. The Public Sector Equality Duty applies to the London Fire Commissioner when they make decisions. The duty requires them to have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
 - b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
53. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
54. The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse effect on any persons with a particular characteristic. The planned works are purely a refurbishment by nature and have been designed to facilitate the temporary occupation of an additional appliance and its respective crews at both Chelsea and Clapham fire station and RRT at Clapham fire station.